



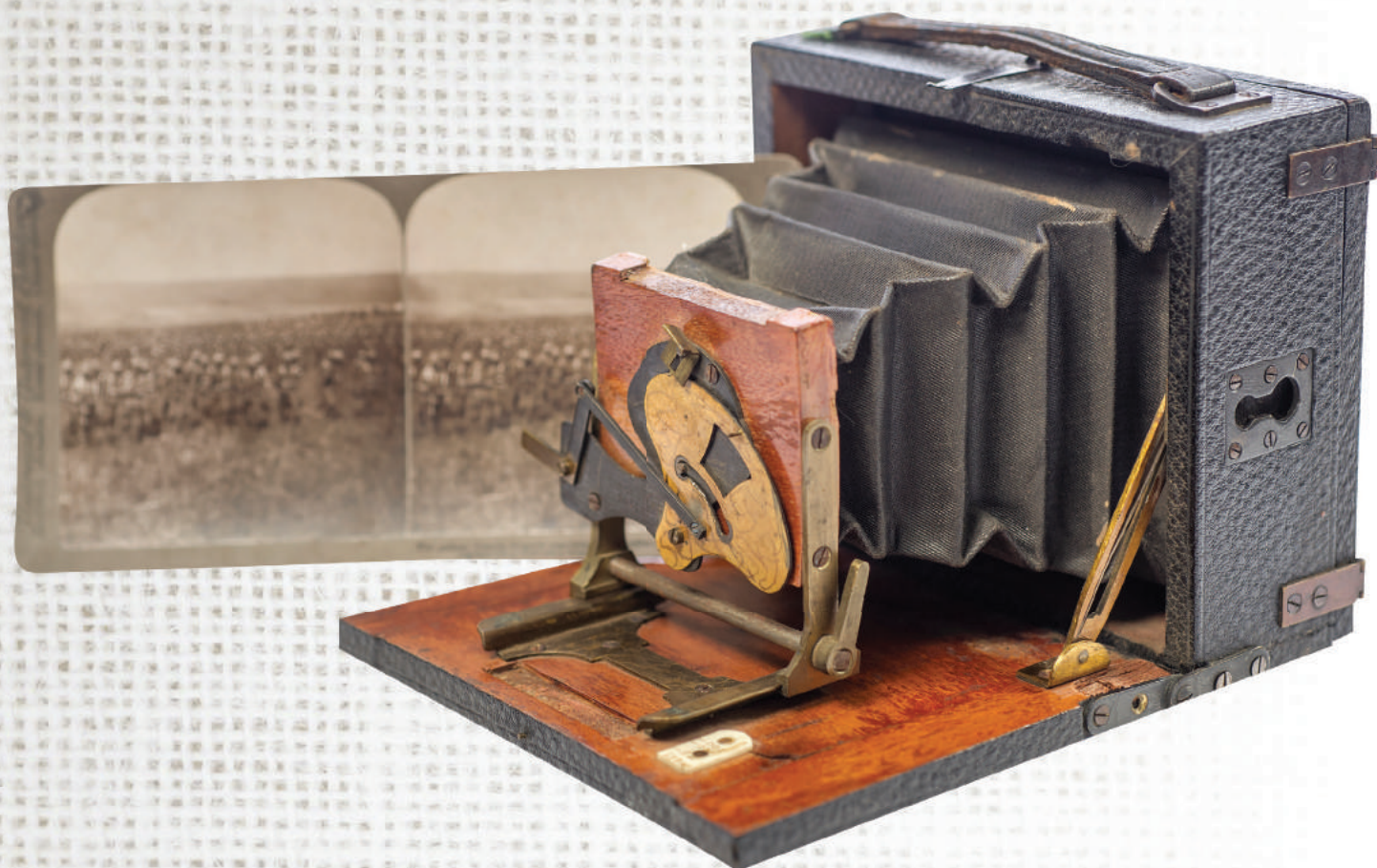
# WAR MUSEUM OF THE BOER REPUBLICS

An Agency of the Department of Arts and Culture

**ANNUAL REPORT  
2017/2018**







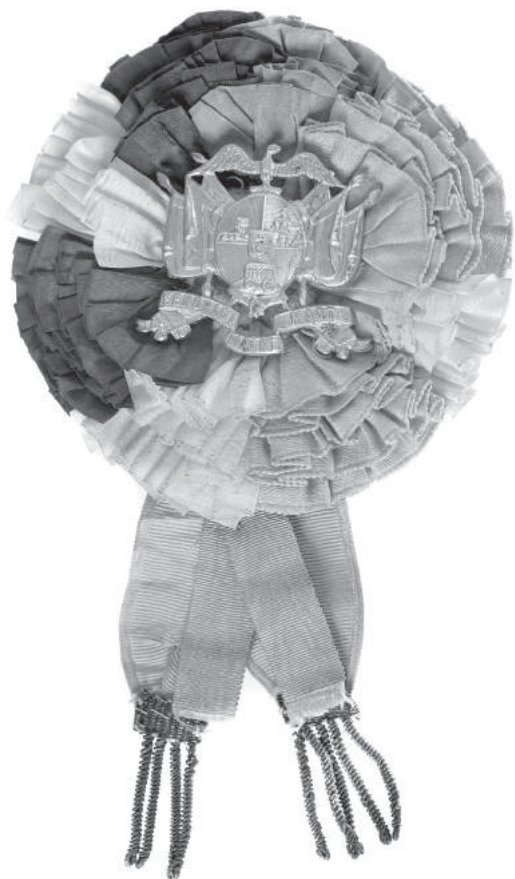
The War Museum of the Boer Republics in Bloemfontein tells the story of the Anglo-Boer War (also known as the South African War), waged in South Africa between 1899 and 1902. This was the largest conflict ever to have taken place on South African soil. The chief causes of the war were the discovery of gold in the South African Republic and British imperial ambitions. The Anglo-Boer war in one way or another, affected

a multitude of South Africans of different cultural backgrounds, age groups, genders and races. The War Museum was established in 1931 and many objects have since been donated to the Museum. The Museum's collection currently consists of almost 46 000 objects – from photographs, artworks, prisoner-of-war art and philately to firearms, artillery, medals, textiles, furniture and objects in many other categories.

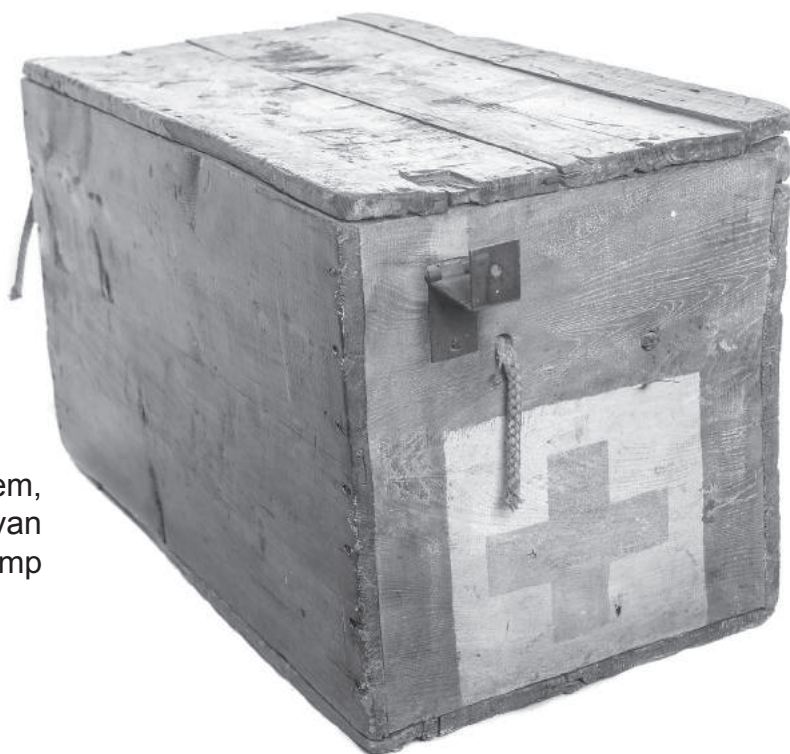
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A rosette containing the crest of the South African Republic set against a background in the colours of the republican flags. It signifies the republics' solidarity in the face of war.



A chest displaying the Red Cross emblem, the property of Mrs Elizabeth Hendrina van der Heever. A doctor at the Windburg camp hospital gave it to her.



Nº. 67514 A

GOUVERNEMENTS NOOT

EEN POND.



De Regeerting der Zuid-Afrikaansche Republiek  
belooft aan houder dezes te betalen EEN POND staats-  
volgens de bepalingen van Wet No. 1, 1940, van  
Art. 2 en 3 op de achterzijde van deze nood-  
afgedrukt.

Dit Noot is goedgekeurd door alle Vaste Leden van de Algemene Vergadering van de Werkgroep op 14 april 1994.

*M. Williams*      *J. H. Williams*

Wk Andlt-Completed: Two Vols. 2, 3, 4, 5, 6, 1900 Wk 13 1900

## RATION TICKET

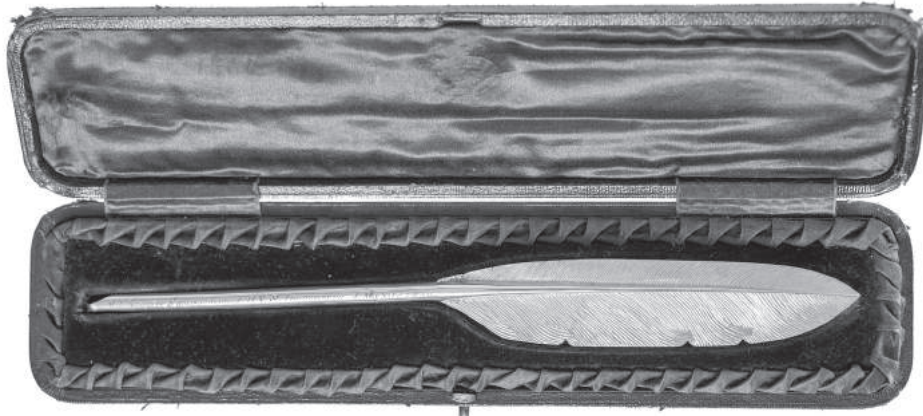
# Structure

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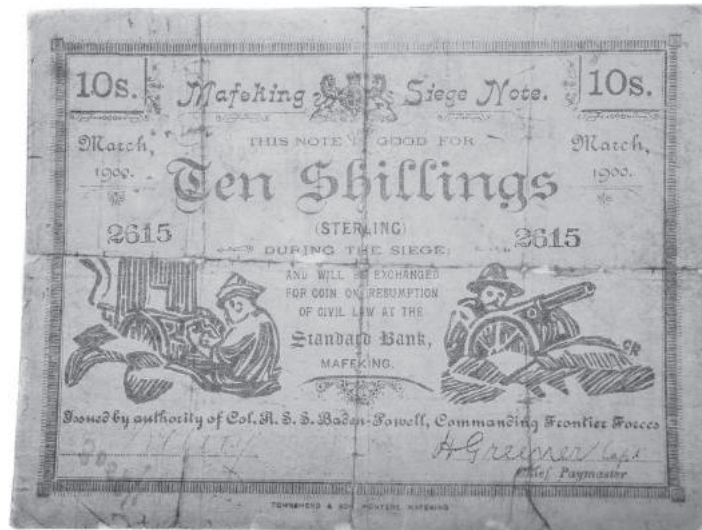
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Department of Arts and Culture**





Marthinus Theunis (MT) Steyn was elected president of the Orange Free State on 19 February 1896. He used this gold pen to sign his name upon being sworn in at the Tweetoringkerk, then the main church in Bloemfontein.



A ten-shilling Mafeking Siege note, no 2615, showing the watermark of the Croxley writing paper on which it was printed. The notes were printed from February to March 1900 by Townsend & Son, a printer in the besieged town.



## COUNCIL MEMBERS

### NEW COUNCIL

Term: 1 December 2017 – 30 November 2020

Dr G.C. Benneyworth  
Chairperson

Dr C.M. Twala  
Deputy Chairperson

Mr. D. Brijlal

Mr. T.A. Ndebele-Monyela

Ms R. Mulder

Adv. C. Naidoo

Prof H.M. Thipa

Dr J.P. van der Merwe

Prof A. Wessels

Mr J.L. Pretorius  
Director – *ex officio*

### PREVIOUS COUNCIL

Term: 1 December 2014 – 30 November 2017

Dr J.P. van der Merwe  
Chairperson

Prof H.M. Thipa  
Deputy Chairperson

Ms N.G. Maluleke/Bila

Dr M.O. Mbatha

Mr K.C. Nemadzivhanani

Ms M. Schoch

Dr C.M. Twala

Mr J.L. Pretorius  
Director – *ex officio*

## HONORARY CURATORS

Dr R.C. Bester (Fire-arms collection)

Dr J.D.E. Cronje (Philatelic collection)

Ms S. Myburgh (Photo collection)

Dr A. van Dyk (Education)



## STAFF MEMBERS

### Director

Mr J.L. Pretorius, B Proc, LLB, LLM (*cum laude*), Attorney RSA

### Deputy Director and Human Resources Manager

Mr J.H. du Pisani, MA

### Chief Financial Officer

Ms C.A. Swanepoel, B Acc Hons

### Museum Human Science Manager

Mr J.J.R. van Zyl, MA

### Special Projects and Publications

Mr R.J. Constantine, MA, HED

### Collections Manager

Ms V.R. Heunis, MHCS Cultural History

### Museum Human Scientists/Education

Ms D. van Wyk, MA

Ms M.M. Thulo, B.A. Honours (History)

### Conservation

Ms E.L. Knox

Mr X.F. Katu

### Industrial Technician (Artist/Photographer)

Mr C.C. Nieuwenhuizen

### Store Clerk

Ms E.L. Labuschagne

### Executive Secretary

Ms E. Malherbe

### Finance Officer

Ms S. Myburg

### Financial Clerk

Ms J.M. Kok

### Cashier

Ms M.L.E. Ross

### Security

Mr T.J. Mosotho

### Workshop Foreman

Mr J.N. Katu

### General Assistants

Mr B.J. Katu

Ms T.E. Minnie

Mr T.H. Diphoko

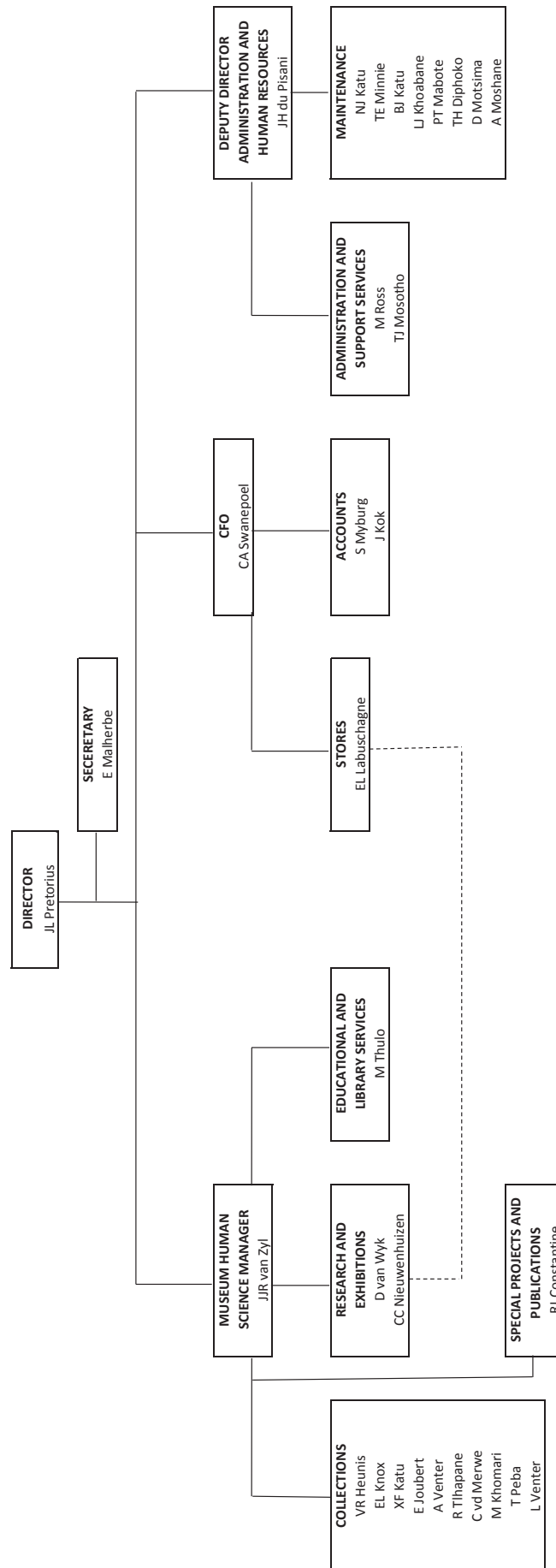
Mr K.D. Motsima

Mr P.T. Mabote

Mr L.J. Khoabane

Mr R.A. Mashane

## ORGANISATIONAL STRUCTURE







A brooch made from a fragment of a Boer projectile fired during the siege of Kimberley. Townspeople avidly collected these fragments as siege mementos.



Queen Victoria sent tins like this one, also containing six small chocolate bars, to all her soldiers in South Africa. A total of 123 000 tins were distributed on 1 January 1900. The chocolates were manufactured by the confectionery firms Cadbury, Fry and Rowntree. Cadbury did not want to make any profit from the chocolate and therefor donated their contribution. Mohandas Karamchand Gandhi, who founded the Natal Indian Ambulance Corps and later went on to lead the struggle for Indian independence, objected to the fact that none of the Indian volunteers, who served as stretcher-bearers, received the tins.



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Dit Noot is goedgekeurd door alle Vaste Leden van de Algemene Vergadering van de Werkgroep op 14 april 1994.

W. W. Adams      J. W. Adams

Wm. And. Gumpel, *Tr. Valdes, Z. F. B. N. 6, 1900*, Wm. And. Gumpel

## RATION TICKET

# Accounting Authority's Report

is entitled to following scale Barbons weekly

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Department of Arts and Culture**





A pocket watch that belonged to a British soldier. The soldier was badly wounded in battle by one burgher Marais, who was also wounded. Marais took the watch from him. Note the bullet attached to the chain, which hit Marais in the femur.



An inkpot from Piet Cronje's writing desk, taken as a souvenir by a British soldier after the Battle of Paardeberg.

## **REPORT OF THE ACCOUNTING AUTHORITY OF THE WAR MUSEUM OF THE BOER REPUBLICS FOR THE YEAR ENDING 31 MARCH 2018**

**Report by the Accounting Authority to the Executive Authority - The Department of Arts and Culture (DAC) and Parliament of the Republic of South Africa (submitted in terms of the Public Finance Management Act, 1 of 1999).**

I have the honour of submitting the 2017/2018 Annual Report of the War Museum of the Boer Republics in terms of the Public Finance Management Act, 1999 (Schedule 3A Public Entity).



**DR G.C. BENNEYWORTH**  
**CHAIRPERSON ACCOUNTING AUTHORITY**  
**31 May 2018**

### **MANDATE**

The War Museum of the Boer Republics is mandated in terms of the *Cultural Institutions Act*, No 119 of 1998.

### **VISION**

To be an institution of excellence whereby the inclusivity and suffering of all communities during the Anglo-Boer War are depicted, thus propagating the message that negotiation is preferable to war.

### **MISSION**

To collect, curate and display items relating to the Anglo-Boer War of 1899 to 1902; research, publications and education on this theme and cooperation with other organisations, nationally and internationally, in order to develop this theme.

### **INTRODUCTION**

#### **Council**

Council complied with its responsibilities. Its term expired 30 November 2017. A new Council was appointed with effect 1 December 2017.



Meetings and attendance:

*New Council:*

<b>Council Member</b>	<b>31/01/2018</b>
Dr G.C. Benneyworth (Chairperson)	✓
Dr C.M. Twala (Deputy Chairperson)	Apology
Mr. D. Brijlal	Apology
Mr. T.A. Ndebele-Monyela	✓
Ms R. Mulder	✓
Adv. C. Naidoo	✓
Prof H.M. Thipa	Apology
Prof A. Wessels	Apology
Dr J.P. van der Merwe	✓
Mr J.L. Pretorius (Director)	✓

*Previous Council:*

<b>Council Member</b>	<b>27/04/2017 EXCO</b>	<b>30/05/2017</b>	<b>31/07/2017</b>	<b>29/11/2017</b>
Dr J.P. van der Merwe (Chairperson)	✓	✓	✓	✓
Prof H.M. Thipa (Deputy Chairperson)	✓	Apology	✓	✓
Ms N.G. Maluleka/Bila	n/a	✓	Apology	Apology
Dr M.O. Mbatha	n/a	✓	✓	Apology
Mr K.C. Nemadzivhanani	n/a	✓	✓	✓
Ms M. Schoch	✓	✓	✓	✓
Dr C.M. Twala	n/a	✓	✓	✓
Mr J.L. Pretorius (Director)	✓	✓	✓	✓

## **CORPORATE GOVERNANCE**

The Museum applied accepted principles with regard to Corporate Governance and Management.

A formal planning session resulted in the development of a five year Strategic Plan and an Annual Performance Plan for the Museum. Both these plans were aligned with the National Strategic Priorities of Government and Outcome 14 of the National Development Plan as well as with the outcomes of the Department of Arts and Culture (DAC). A formal session on risk assessment formed the basis of the three years' rolling plan with regard to internal audit. The Annual Performance Plan and Strategic plan are revised annually by the Accounting Authority.

A shareholder's compact was entered into between the Department of Arts and Culture (DAC) and the Accounting Authority.

As part of the focus on Corporate Governance and Management policy documents have been reviewed, updated and developed where necessary.

## **Some services rendered by the Public Entity**

The Museum is a national museum of international importance and as such receives large numbers of national and international visitors and researchers including members of media companies involved in documentary reporting in the electronic media.

The Museum's service to the public is inclusive with a special emphasis on the previously disadvantaged communities as a target for education and recreation. A children's museum and educational centre are operating effectively. It plays a pivotal role in the Museum's outreach to schools and helps in the augmenting of syllabuses of the various age groups.

As part of the outreach programmes, among others, regular film shows for the public are shown in the Museum's auditorium.

Two publications were completed, namely the Anglo-Boer War in 100 items as well as the experience of the British Soldier during the South African War. Both will be published in Britain as well.

The Museum received the International Trip Advisor award for being one of the top one percent Museums in the world.

The Museum entertained various scopes of visitors i.e. the Dutch Ambassador, the Advocates of Social Cohesion and the Portfolio Committee on Arts and Culture.

The Museum entered into an agreement with the Rijksmuseum in the Netherlands for the display: Goede Hoop. Various items of the Museum are on exhibition at the Rijksmuseum.

The Museum has established outreach programmes to schools (with special focus on previously marginalised communities). It has developed educational programmes, specifically focussing on the South African War, to supplement Curriculum Assessment Policy Statements (CAPS) up to grade 12.

Lotto funding was obtained to revamp the website to include access by researchers. A large number of documents are now available in electronic medium for research purposes. International and local researchers benefit from this.

On Youth Day an Olympiad was held for schools relating to the South African War to create Heritage Awareness.

On Mandela day the Museum launched a project to make communities aware of the plight of animals during the South African War up to today.

Women's Day celebrations focused on prominent Women in the South-African War.

The Museum hosted the African Colloquium. On Africa Day the Museum participated at the University of the Free State by means of a display on General De Wet and Oliver Tambo as struggle icons.

On Heritage Day an exhibition was done on religion and the South-African War.



The Museum received the prm.africa Diamond Arrow award as the best Heritage Site in the Free State.

All of the above promotes social cohesion, nation building and redresses the South African War history.

### **Tariff Policy**

The following tariffs are applicable:

Entrance fees	R10.00 per adult
	R 5.00 per child

Special discount is provided to school groups.

### **Utilization of donor funds**

	2017/18
	R
Opening balance	42 988
Donor funds received	-
Donor funds utilized	(11 331)
<b>Unspent portion included in reserves</b>	<b>31 657</b>

The R11 331 was utilised to acquire conservation materials, various heritage items and exhibition material.

### **Transfer payments**

No transfer payments have been made.

### **Public Private Partnerships**

No Public Private Partnerships were entered into.

## PERFORMANCE INFORMATION

### Strategic Outcome Oriented Goals:

<b>Strategic Outcome Oriented Goal 1</b>	<b>Educate the community/visitor/learner on the inclusive history of the Anglo-Boer War.</b>
<b>Goal Statement</b>	Supplement education provided by schools and educate learners/visitors from all communities with special focus on previously marginalised communities through educational programmes (outreach), publications, research and other initiatives.
<b>Link to government priorities</b>	Outcome 14: A diverse, socially cohesive society with a common national identity.
<b>Strategic objectives flowing from this goal</b>	Objective 2 and 5

<b>Strategic Outcome Oriented Goal 2</b>	<b>Encourage tourism, economic development/upliftment and skills development/transfer.</b>
<b>Goal Statement</b>	Promote the museum and heritage sector in order to encourage tourism and create opportunities for economic development/upliftment. Facilitate training to develop/transfer skills to the current and future workforce.
<b>Link to government priorities</b>	Outcome 14: A diverse, socially cohesive society with a common national identity
<b>Strategic objectives flowing from this goal</b>	Objective 3 and 6

<b>Strategic Outcome Oriented Goal 3</b>	<b>Promote and preserve cultural heritage and promote heritage awareness among all communities, urban and rural.</b>
<b>Goal Statement</b>	Promote, preserve and create awareness of our inclusive cultural heritage through conservation and exhibition of heritage items and the dissemination of information thereby ensuring social cohesion, nation building and nation healing.
<b>Link to government priorities</b>	Outcome 14: A diverse, socially cohesive society with a common national identity
<b>Strategic objectives flowing from this goal</b>	Objective 1 and 4



<b>Strategic Outcome Oriented Goal 4</b>	<b>Enhanced governance and accountability and development/transfer of skills.</b>
<b>Goal Statement</b>	Strengthening of governance and accountability by investing in capacity and capability.
<b>Link to government priorities</b>	Outcome 14: A diverse, socially cohesive society with a common national identity
<b>Strategic objectives flowing from this goal</b>	Objective 6 and 7

#### Objectives:

<b>Strategic Objective 1</b>	<b>Heritage preservation and conservation</b>
<b>Objective Statement</b>	To expand collections with 10 heritage items (particularly those on Black and British participation) per annum and to maintain (including restoration) and conserve current collections (1 type/category of items or part thereof).
<b>Baseline</b>	Number of items collected: 10 per annum Collections maintained (including restoration)/conserved: 1 type/category of item or part thereof.
<b>Justification</b>	This objective will contribute to the promotion of cultural heritage awareness among all visitors with special focus on previously marginalised communities and will encourage social cohesion and nation building by ensuring that the effects of War on all the communities (nationally and internationally) are depicted through the heritage items which form part of the Museum's collection and which are maintained for future generations.
<b>Link to DAC focus areas</b>	Goal 2: Nation building through effective social cohesion programme implementation

<b>Strategic Objective 2</b>	<b>Promoting access to information</b>
<b>Objective Statement</b>	To provide research support to all researchers or to undertake research for in-house publications, one of which should culminate in at least 1 publication per annum.
<b>Baseline</b>	Number of publications which War Museum assisted in producing or published itself: 1 publication per annum
<b>Justification</b>	This objective will contribute to education of all communities by providing access to information and will encourage economic development through the sale of publications.
<b>Link to DAC focus areas</b>	Goal 2: Nation building through effective social cohesion programme implementation

<b>Strategic Objective 3</b>	<b>Heritage promotion and marketing of the heritage sector</b>
<b>Objective Statement</b>	To promote the museum and the heritage sector in the media and on the internet (website and social media platforms) through the publication of 5 articles per annum, updating the website and social media page on a quarterly basis, by hosting three heritage events celebrating National Days and participating in 1 external heritage event per annum. This will provide information, educate the public and encourage economic development.
<b>Baseline</b>	Number of articles published: 5 per annum Number of updates to website and/or social media page: 4 updates per annum Number of heritage events hosted celebrating National Days: 3 per annum (Youth day, Women's day and Heritage day – during the applicable month) Number of heritage events in which the War Museum participated: 1 per annum
<b>Justification</b>	This objective will aim to promote the heritage sector and encourage tourism whilst at the same time will aim to provide educational information.
<b>Link to DAC focus areas</b>	Goal 2: Nation building through effective social cohesion programme implementation Goal 3: A productive, diverse and inclusive Arts, Culture and Heritage Sector

<b>Strategic Objective 4</b>	<b>Promote inclusivity and transformation through heritage awareness amongst all communities, urban and rural.</b>
<b>Objective Statement</b>	To provide information in English, Afrikaans and Sesotho (where practical) through 6 exhibitions (2 permanent and 4 temporary) per annum which should be educational in nature in order to encourage social cohesion, nation building and nation healing whilst at the same time disseminating information. To facilitate one heritage awareness campaign (disseminating information) per annum to rural educational or other institutions.
<b>Baseline</b>	Number of permanent exhibitions which are new, were updated or transformed: 2 per annum Number of temporary exhibitions: 4 per annum Number of heritage awareness campaigns (dissemination of information): 1 per annum
<b>Justification</b>	This objective will contribute to the improvement of basic education, social cohesion and nation building by depicting the inclusive role of all communities in the war and thus encourage a better SA, Africa and World.
<b>Link to DAC focus areas</b>	Goal 2: Nation building through effective social cohesion programme implementation Goal 3: A productive, diverse and inclusive Arts, Culture and Heritage Sector



<b>Strategic Objective 5</b>	<b>Education</b>
<b>Objective Statement</b>	To provide outreach initiatives through educational programmes to be presented to 16 schools per annum with special focus on previously marginalised communities (16 schools to be visited by the educational staff).
<b>Baseline</b>	Number of schools visited: 16 per annum
<b>Justification</b>	This objective will contribute to the improvement of basic education by educating learners on the inclusive role of all communities in the war.
<b>Link to DAC focus areas</b>	Goal 2: Nation building through effective social cohesion programme implementation Goal 3: A productive, diverse and inclusive Arts, Culture and Heritage Sector

<b>Strategic Objective 6</b>	<b>Employment and skills development/transfer</b>
<b>Objective Statement</b>	To facilitate training on four topics per annum in order to develop staff of the Museum. To present one skills development programme per annum to the community or heritage sector participants.
<b>Baseline</b>	Number of Topics on which staff training is to be facilitated: 4 per annum Number of skills development programmes (workshops/conferences) presented: 1 per annum
<b>Justification</b>	This objective will aim to contribute to employment and skills development in the heritage sector as well as the transfer of skills to participants in the community/heritage sector.
<b>Link to DAC focus areas</b>	Goal 6: A professional and capacitated Arts, Culture and Heritage Sector

<b>Strategic Objective 7</b>	<b>Ensure public accountability and good corporate governance</b>
<b>Objective Statement</b>	To promote public accountability and achieve high standards of corporate governance through the achievement of an unqualified audit during which all issues were timeously addressed within the predetermined deadlines and by ensuring relevance and regular review of Council, Audit Committee and Internal Audit Charters as well as the Museum's Code of conduct.
<b>Baseline</b>	Unqualified audit report 100% of audit issues addressed by agreed deadlines Annual review of Council Charter, Audit Committee Charter, Internal Audit Charter and Code of conduct
<b>Justification</b>	Sound management and administrative systems are necessary to effectively support the achievement of the core mandate.
<b>Link to DAC focus areas</b>	Goal 5: Sound governance and modernised systems and processes

## Performance against targets:

PROGRAMME PERFORMANCE INDICATOR		2017/2018		
		ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIANCES
1.1.1	Number of conservation, preservation and maintenance activities on collections (items maintained/conserved/restored)	1 Type/Category of items or part thereof	Parts of 4 types/categories of items were conserved/restored: 1. 1 382 documents placed in acid free hanging pockets; 2. 1 343 photographs covered with acid-free film; 3. Replaced leather on chairs of Bloemfontein Convention set; 4. 513 POW artefacts cleaned and oiled.	Over-achieved Additional funding in the form of conditional grants, sponsorships and donations can be attributed to the over-achievement. Additional conservation functions were performed as part of the GRAP 103 implementation project.
1.1.2	Number of heritage items obtained (new acquisitions – Black and British participation)	10 Items	A total of 14 items (relating British and Black participation during the War of 1899 – 1902) were obtained during the period: 1. QSA Medal; 2. Framed photograph with English soldiers; 3. Book: With the Buffs in South Africa; 4. Journal: Blackwood's magazine; 5. Book: Durban Volunteer Infantry Corps; 6. Book - The Great Boer War; 7. Book - War and Peace in SA; 8. Medal - Queen South Africa Mediterranean; 9. Medal - Victoria Cross; 10. Book - Soldiers of the Queen; 11. DSO Military Medal; 12. Pin/Button; 13. Brooch; 14. DVD: Emily Hobhouse - Boer War Concentration Camps.	Over-achieved Most heritage items are donated to the Museum. The additional items furthered the Museum's mandate and the acceptance thereof did not negatively impact the Museum's financial position and/or performance. These items were thus accepted despite the resulting over-achievement of the pre-determined objectives set by the Museum.
2.1.1	Number of publications for which the museum provided research support or were directly involved with publishing	1 Publication	Research support provided for 1 publication: 1. Verskroeiende-aarde / Scorched Earth - Prof. Fransjohan Pretorius  2 Own book published: 1. Die Anglo-Boereoorlog in 100 objekte / The Anglo-Boer War in 100 objects; 2. Soldiers of the Queen.	Over-achieved Partnerships and additional funding in the form of conditional grants and sponsorships can be attributed to the over-achievement.
3.1.1	Number of articles published to promote the museum and encourage tourism trade	5 Articles	9 Articles in the media: 1. Donation of medal to the museum: Arthur Ashton Hillam (Volksblad - 17 May 2017); 2. Women's day celebration (Bloemnuus – 17 August 2017); 3. 100 Objects from the War (Rapport Weekliks – 24 September 2017);	Over-achieved The additional information in the media furthered the Museum's mandate without any negative impact on the Museum's financial position and/or performance and the additional info was thus place despite the



PROGRAMME PERFORMANCE INDICATOR		2017/2018		
		ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIANCES
			<p>4. War Museum shows role of churches in Anglo-Boer War (Volksblad – 26 September 2017);</p> <p>5. New book: Anglo-Boer War in 100 objects (Volksblad – 27 September 2017);</p> <p>6. <i>Boek oor ABO in Rosestad bekend gestel</i> (Volksblad – 4 October 2017);</p> <p>7. Documenting a war that's never forgotten (Sunday Argus – 8 October 2017);</p> <p>8. <i>Die Anglo-Boereoorlog in 100 objekte</i> (Huisgenoot – 12 October 2017);</p> <p>9. <i>Die Anglo-Boereoorlog in 100 objekte - boeiende boek is vir lees en kyk</i> (Rapport weekliks – 26 November 2017).</p>	resulting over-achievement of the pre-determined objectives set by the Museum.
3.2.1	Number of updates to the Museum's website and/or social media page	4 Updates	<p>14 Updates to the events calendar on website:</p> <p>1. Youth Day 2017 (16 June 2017);</p> <p>2. International Museum Day (18 May 2017);</p> <p>3. Africa Month 2017 Exhibition – The ABW and the Liberation Struggle ;</p> <p>4. Annual Bittereinder Memorial Lecture and Wreath-Laying (20 Mei 2017);</p> <p>5. Mandela Day 2017 (22 July 2017);</p> <p>6. Lecture by Dr Dean Allen (27 July 2017);</p> <p>7. Ek love die Vrystaat Skattejag (19 August 2017);</p> <p>8. Book launch – The Anglo-Boer War in 100 objects (28 September 2017);</p> <p>9. Lecture by Dr Arnold van Dyk (11 September 2017);</p> <p>10. Women's Day 2017 (9 August 2017);</p> <p>11. Churches during the Anglo-Boer War – Heritage Day 2017 (22 September 2017);</p> <p>12. Friends of the War Museum - talk by Helene Lewis;</p> <p>13. Kestell Wreath Laying and Memorial Lecture - Friends of the Museum (15 February 2018);</p> <p>14. Lecture on Bethulie Concentration Camps - FS Genealogical Society (12 March 2018).</p> <p>3 Updates to Publications on website:</p>	<p>Over-achieved</p> <p>The posting of the additional information furthered the Museum's mandate without any negative impact on the Museum's financial position and/or performance and was therefore added despite the resulting over-achievement of the pre-determined objectives set by the Museum</p>

PROGRAMME PERFORMANCE INDICATOR		2017/2018		
		ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIANCES
			<p>1. Museum Guide Book (30 January 2018);</p> <p>2. Soldiers of the Queen (31 January 2018);</p> <p>3. The Anglo-Boer War in 100 Objects (31 January 2018).</p> <p>14 Facebook posts (of which items 9 – 14 were also posted on twitter):</p> <p>1. Launch of book: Anglo-Boer War in 100 objects (5 October 2017);</p> <p>2. Event - Friends of Museum (26 October 2017);</p> <p>3. Huisgenoot book review (6 November 2017);</p> <p>4. Event - Annual Anglo-Boer War Olympiad (22 November 2017);</p> <p>5. Bill Nasson book review (28 November 2017);</p> <p>6. Books for sale at Museum (29 November 2017);</p> <p>7. Festive visiting hours (11 December 2017);</p> <p>8. Event - Anglo-Boer War weekend (18 December 2017);</p> <p>9. New Museum Guide Book (29 January 2018);</p> <p>10. Soldiers of the Queen (2 February 2018);</p> <p>11. War Museum Facilities (8 February 2018);</p> <p>12. Kestell Wreath-laying and Memorial Lecture (14 February 2018);</p> <p>13. Lecture Genealogical Society (12 March 2018);</p> <p>14. Easter Weekend Visitor Hours (29 March 2018).</p>	
3.3.1	Number of public heritage events hosted in celebration of selected National Days – during the relevant month.	3 Events (Youth, Women's and Heritage Day)	<p>4 Events were hosted:</p> <p>1. Youth Day 2017;</p> <p>2. Women's Day 2017;</p> <p>3. Heritage Day 2017;</p> <p>4. Hosted the annual School Olympiad - launched in June 2017 (forms part of Youth Day programme).</p>	<p>Over-achieved</p> <p>The additional event (forming part of the Museum's Youth Day programme) furthered the Museum's mandate and did not negatively impact the Museum's financial position and/or performance and was thus hosted despite the resulting over-achievement of the pre-determined objectives set by the Museum.</p>
3.3.2	Number of heritage events in which the Museum participated and attended.	1 Event	<p>Participation in 3 events:</p> <p>1. Book discussion - Boekejol 2017: The Anglo-Boer War in 100 objects (17 August 2017);</p> <p>2. Book discussion - Kimberley Africana Library (11 October 2017);</p> <p>3. Lecture on the "Soldiers of the Queen"- Anglo-Boer War Weekend Matjiesfontein (17 March 2018).</p>	<p>Over-achieved</p> <p>The attendance of an additional event (as a result a partnership) furthered the Museum's mandate without any negative impact on the Museum's financial position and/or performance and was attended despite the resulting over-achievement of the pre-determined objectives set by the Museum.</p>



PROGRAMME PERFORMANCE INDICATOR		2017/2018		
		ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIANCES
4.1.1	Number of permanent exhibitions(new/updated/transformed)	2 Exhibitions	<p>3 Exhibitions:</p> <ol style="list-style-type: none"> <li>1. Outside displays - new information boards at various displays on premise (guns, wagons, blockhouse etc.);</li> <li>2. Display at entrance gate - Vinyl Sandblast photographs/artefacts;</li> <li>3. New captions in display of jewellery in Kruger Hall.</li> </ol>	<p>Over-Achieved</p> <p>The additional display furthered the Museum's mandate and did not negatively impact the Museum's financial position and/or performance and was thus displayed despite the resulting over-achievement of the pre-determined objectives set by the Museum.</p> <p>Additional funding in the form of conditional grants, sponsorships and donations can be attributed to the over-achievement</p>
4.1.2	Number of temporary exhibitions	4 Exhibitions	<p>5 Temporary exhibitions:</p> <ol style="list-style-type: none"> <li>1. The Anglo-Boer War and the Struggle;</li> <li>2. Women's day 2017 (Tibbie Steyn);</li> <li>3. Heritage day 2017 (Churches during the Anglo-Boer War);</li> <li>4. Translated and expanded the display <i>Churches during the Anglo-Boer War</i>. Added two new banners on the topics <i>The British Army and Religion</i> and <i>Missionary Stations during the War</i>;</li> <li>5. Careers in the Heritage Sector.</li> </ol>	<p>Over-Achieved</p> <p>The additional display (an extension of an earlier display) furthered the Museum's mandate and did not negatively impact the Museum's financial position and/or performance and was thus displayed despite the resulting over-achievement of the pre-determined objectives set by the Museum.</p>
4.1.3	Number of heritage awareness campaigns (dissemination of information)	1 Campaign	<p>2 Information campaigns:</p> <ol style="list-style-type: none"> <li>1. Participated in <i>We love the Free State</i>;</li> <li>2. Introduction of publication '100 Objects of the War' to media and public.</li> </ol>	<p>Over-achieved</p> <p>If/when the opportunity arises to distribute additional information, thus furthering the Museum's mandate without negatively impacting the Museum's financial position and/or performance these will be utilised despite the resulting over-achievement of the pre-determined objectives set by the Museum.</p>
5.1.1	Number of schools visited	16 Schools	<p>20 Schools were visited by Museum staff:</p> <ol style="list-style-type: none"> <li>1. Rutanang Intermediate School;</li> <li>2. Lekhulong Secondary School;</li> <li>3. Moemedi Secondary School;</li> <li>4. Mariasdal High School;</li> <li>5. Winburg High School (2 Groups);</li> <li>6. Metsimaphodi Secondary School;</li> <li>7. Merriespruit Primary School;</li> </ol>	<p>Over-Achieved</p> <p>If/when the opportunity arises to visit additional Schools, thus furthering the Museum's mandate without negatively impacting the Museum's financial position and/or performance this will be utilised despite the resulting over-achievement of the pre-determined objectives set by the Museum</p>

PROGRAMME PERFORMANCE INDICATOR		2017/2018		
		ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIANCES
			8. Goronyane High School; 9. Phetogane Secondary School; 10. Adamsonvlei State Aided School; 11. Dr Blok Sen Secondary School; 12. Bokamoso/Ikamva I/F School; 13. Aramela Combined School (2 Groups); 14. Botle Ba Thuto Primary School; 15. Kgabane Primary School; 16. Mothusi Primary School; 17. Bochabela Primary School; 18. Legae Inter Mediate School.	
6.1.1	Number of topics on which staff received training	4 Topics per annum	Various staff received training on different 4 topics: 1. Photography for Beginners; 2. Book Binding - Introduction; 3. Photoshop and Light Room Course; 4. Basic fire-fighting.	Achieved
6.1.2	Number of skills development programmes presented	1 Programme per annum	1 Programme presented: Beads Workshop (facilitator: Makgosi Creations)	Achieved
7.1.1	Achievement of unqualified audit report	Unqualified audit report	The Auditor-General issued a qualified report for 2016/2017	Not achieved – the Museum was qualified as a result of GRAP 103.
7.1.2	Addressing 100% of audit issues by agreed deadlines	100% issues addressed by deadline	All audit findings (5 communications) issued by the Auditor-General for 2016/2017 was addressed within specified timeframes and as per the arrangement with the Auditor-General.	Achieved
7.1.3	Annual review of Council Charter, Audit Committee Charter, Internal Audit Charters and Code of Conduct.	Review of all 4 documents	The following 4 documents were reviewed in the fourth quarter: 1. Audit Committee Charter 2. Internal Audit Charter 3. Council Charter 4. Code of Conduct	Achieved

Targets set in the Museum's Strategic and Annual Performance Plans are based on baselines which are determined taking into account the Museum's operational budget. Additional funding and partnerships often enables the Museum to do more and subsequently over-achieve on certain pre-determined targets.



## **THE MUSEUM AND THE FUTURE**

The Museum is steadfast in propagating its vision that war causes suffering and brings no lasting solutions and therefore it endeavours to generate an anti-war mentality. It therefore portrays the suffering caused by the South African War on a continuous basis.

The Museum has changed significantly from static displays to inter-active displays and will continue in this direction and will constantly use its displays and events to support nation building, education and tourism.

The Museum has transformed from an exclusive Afrikaner Museum to a truly South African Museum.

The focus of the Museum is Nation Building, Social Cohesion and Nation Healing.



**MR J.L. PRETORIUS**  
**DIRECTOR**  
**31 May 2018**



**DR G.C. BENNEYWORTH**  
**CHAIRPERSON ACCOUNTING AUTHORITY**  
**31 May 2018**

## **STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2018**

In terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, the Accounting Authority keeps full and proper records of the financial affairs of the Museum, and the Annual Financial Statements are a fair representation of the Museum, its business and its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year and they are presented in terms of Generally Recognised Accounting Practice.

The Annual Financial Statements are the responsibility of the Accounting Authority and it is the Auditor-General's responsibility to independently audit and report on the Annual Financial Statements.

The Accounting Authority considered the Museum's going concern status and the Museum's ability to continue to deliver on its mandate in future periods. The post-retirement health care obligations of the Museum are placing strain on the Museum's financial position and remaining cash resources. The Museum however still has sufficient funds to cover the costs of the benefits of continuation members in the immediate foreseeable future. Should assistance however not be received before the remaining resources are depleted, the Museum will face serious challenges in delivering on these promised benefits. The Museum had an inflow of cash in terms of its cash-flow results. It can therefore be concluded that the Museum will be able to deliver on its mandate in the immediate/near future. This matter has been reported to the Executive Authority and National Treasury and feedback is awaited.

The Public Finance Management Act and Treasury Regulations also requires that the Accounting Authority must initiate a five year strategic plan, an annual performance plan, a risk management plan, a fraud prevention plan and a materiality and significance framework. In terms of the Public Finance Management Act the Museum submits quarterly reports to the Executive Authority and National Treasury.

In terms of the Public Finance Management Act the Accounting Authority ensures that the Museum has and maintains effective, efficient and transparent systems of financial and risk management and internal control, a system of internal audit and an appropriate procurement and provisioning system. The Accounting Authority also takes effective and appropriate steps to collect all revenue and to prevent irregular and fruitless and wasteful expenditure and the effective and economical management of working capital.

It is also the responsibility of the Accounting Authority to manage and safeguard the assets and to manage revenue, expenditure and liabilities of the Museum.

As required by legislation, the Accounting Authority complies with taxes, levies, duties, pensions and audit commitments.

As required by the Public Finance Management Act and the Treasury Regulations the Accounting Authority accepts the responsibility to submit all reports, returns, notices and other information to Parliament and to the National Treasury.



**DR G.C. BENNEYWORTH**  
**CHAIRPERSON ACCOUNTING AUTHORITY**  
**31 May 2018**





The boots of 25-year old Lambertus Lochner (Lammie) de Villiers of the Pretoria commando, who died in the Battle of Spioenkop.



The hat worn by an orderly of the Pretoria Ambulance Corps.



The enormous public interest in the Anglo-Boer War saw numerous war souvenirs being manufactured. This plate, depicting Lord Roberts, shows the high esteem in which Britain's military leaders were held.







## **MANAGEMENT APPROVAL FOR THE YEAR ENDED 31 MARCH 2018**

The financial statements set out on pages 39 to 82 have been approved by the Accounting Authority.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name G.C. Bennyworth.

**DR G.C. BENNYWORTH**  
**CHAIRPERSON ACCOUNTING AUTHORITY**  
**31 May 2018**



## **REPORT OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

**Report of the Audit Committee as required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management (Act No. 1 of 1999), as amended by Act 29 of 1999**

We are pleased to present the Audit Committee Report for the War Museum of the Boer Republics for the financial year ended 31 March 2018.

### **Audit Committee Members and Attendance**

The Audit Committee was appointed on 9 May 2017 by the Accounting Authority for a three year term.

The Audit Committee consisted of five independent Audit Committee members.

The Audit Committee met on a regular basis per its approved terms of reference. During the financial year ended 31 March 2018 three sittings of the Audit Committee took place. Attendance of these sittings was as follows:

<b>Name of Member</b>	<b>Meetings attended</b>
Adv J. Lubbe SC (Chairperson)	3
Prof R. Britz	1
Prof J.J. Henning	3
Ms M.J. Ramaema	1
Mr C. Pienaar	1

<b>Management (attends meetings in ex officio capacity)</b>	<b>Meetings attended</b>
Mr J.L. Pretorius (Director)	3
Mr J.H. du Pisani (Deputy Director)	3
Me C.A. Swanepoel (CFO and Secretary to the Committee)	3

The Chairperson of the Audit Committee attended Audit Steering Committee meetings with the External Auditor during which audit related issues were considered and discussed. The Internal Auditor attended all Audit Committee meetings.

### **Audit Committee Role and Responsibilities**

In terms of its formal terms of reference, the Audit Committee acts as a Sub-Committee of the Accounting Authority and assists the Accounting Authority in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with laws and regulations and the code of conduct.

The Audit Committee reports that it has complied with its responsibilities arising from sections 51(1)(a)(ii) and 76(4)(d) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) and Treasury Regulation 27.

The Audit Committee further reports that it adopted appropriate formal terms of reference as its Audit Committee Charter during the year, has regulated its affairs in compliance with this Charter and has discharged all of its responsibilities as contained therein.

### **The effectiveness of internal control**

Management is responsible for the entity's system of internal controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, to adequately safeguard, verify and maintain accountability of assets, and prevent and detect misstatement and losses. Nothing has come to the attention of Management and the Audit Committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Internal Audit Function further provides the Audit Committee and Management with reasonable assurance that the internal controls are appropriate and effective. It was noted that no significant or material non-compliance with prescribed policies and procedures has been reported. Accordingly, we can report that the systems of internal financial control, for the period under review, seemed to be functioning effectively and efficiently.

### **Evaluation of Annual Financial Statements**

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements included on pg. 39 to 82 in the annual report with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's Management Report and Management's response thereto; and
- reviewed changes in accounting policies and practices, where applicable.

The Audit Committee accordingly accepts the Auditor-General's conclusions on the Annual Financial Statements included in its report as set out on pg. 31 to 37, and is of the opinion that the audited Annual Financial Statements included on pg. 39 to 82 can be accepted and should be read together with the Auditor-General's report.



**ADV. J. LUBBE SC**  
**CHAIRPERSON OF THE AUDIT COMMITTEE**  
**31 July 2018**

# Report of the auditor-general to Parliament on the War Museum of the Boer Republics

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the War Museum of the Boer Republics set out on pages 39 to 82, which comprise statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the War Museum of the Boer Republics as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.



### **Restatement of comparative figures**

7. As disclosed in note 38 to the financial statements, the corresponding figures for 31 March 2017 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2018.

### **Responsibilities of accounting authority for the financial statements**

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor-general's responsibilities for the audit of the financial statements**

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

<b>Report on the audit of the annual performance report</b>
---

### **Introduction and scope**

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2018:

Objectives	Pages in the annual performance report
Objective 1 – heritage preservation and conservation	19
Objective 2 – promoting access to information	19
Objective 4 – promote inclusivity and transformation through heritage awareness amongst all communities, urban and rural	22

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following objectives:
- Objective 1 - heritage preservation and conservation
  - Objective 2 - promoting access to information
  - Objective 4 - promote inclusivity and transformation through heritage awareness amongst all communities, urban and rural

## **Other matter**

17. I draw attention to the matter below.

## **Achievement of planned targets**

18. Refer to the annual performance report on pages 19 to 23 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

## **Other information**

21. The accounting authority is responsible for the other information. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
24. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.



## Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

*Auditor General*

Bloemfontein  
31 July 2018



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the public entity’s compliance with respect to the selected subject matters.

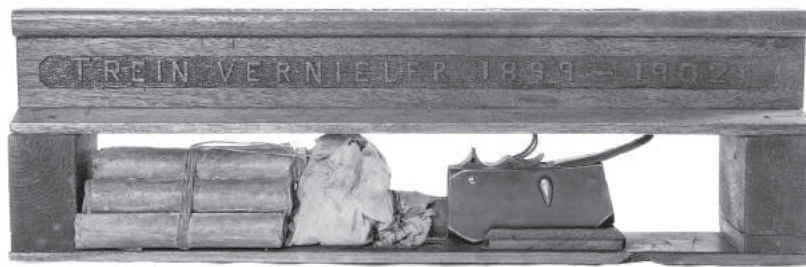
### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
  - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the public entity’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

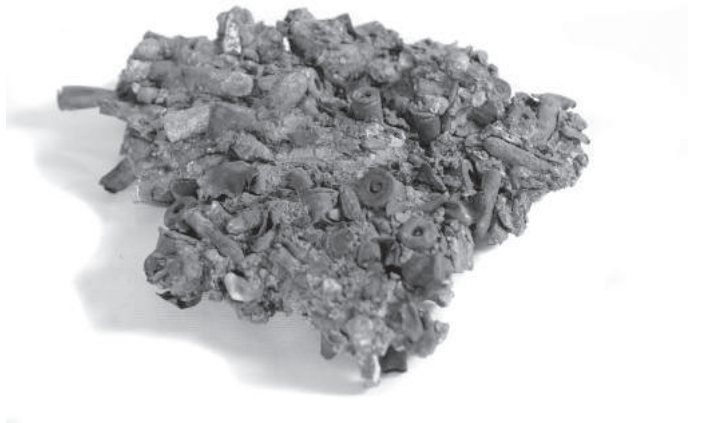
3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.





An example of a “train wrecker”, used by the Boers to derail trains. They would place dynamite and part of the Martini-Henry rifle bolt containing a round under the rail. When a train passed, its weight depressed the trigger, firing the round and detonating the dynamite.

To prevent their ammunition from falling into British hands, the Boers at Brandwater Basin destroyed their ammunition supplies before surrendering. This is what some of their melted ammunition looked like. The heat involved was so intense that, to this day, grass will not grow in certain spots in the area. Youngsters in Prinsloo’s camp told, years later, of the documents they were ordered to burn in the days before the capitulation – documents that likely comprised the Orange Free State military archive.



This telescope belonged to Jurie Johannes Human, who perished in the Battle of Ysterspruit. Human took this from a British officer, Lieutenant RT Jones, whom he had fatally wounded in the Groot Marico.

## Statement of Financial Position as at 31 March 2018

		2017/18 R	2016/17 <i>Restated</i> R
	Notes		
<b>ASSETS</b>			
<b><i>Current assets</i></b>			
Cash and cash equivalents	4	13 988 814	5 055 541
Trade and other receivables from exchange transactions	5	71 978	19 292
Inventories	6	681 769	645 783
<b>Total current assets</b>		<b>14 742 561</b>	<b>5 720 616</b>
<b><i>Non-current assets</i></b>			
Intangible Assets	7	17 544	25 654
Property, Plant and Equipment	8	7 662 658	7 416 249
Heritage Assets	9	64 740 375	64 306 858
<b>Total non-current assets</b>		<b>72 420 577</b>	<b>71 748 761</b>
<b>Total assets</b>		<b>87 163 138</b>	<b>77 469 377</b>
<b>LIABILITIES</b>			
<b><i>Current liabilities</i></b>			
Trade and other payables from exchange transactions	10	1 803 031	1 121 888
Devolution Municipal Charges	11	1 000 000	-
Liabilities for transfers for special projects DAC	12	10 012 819	1 601 960
Liabilities for transfers for special projects NLC - Lotto	13	867 477	1 167 875
Post-employment health care benefit liability	14	316 000	292 000
<b>Total current liabilities</b>		<b>13 999 327</b>	<b>4 183 723</b>
<b><i>Non-current liabilities</i></b>			
Post-employment health care benefit liability	15,16	5 797 000	5 338 000
<b>Total non-current liabilities</b>		<b>5 797 000</b>	<b>5 338 000</b>
<b>Total liabilities</b>		<b>19 796 327</b>	<b>9 521 723</b>
<b>Net assets/(liabilities)</b>		<b>67 366 811</b>	<b>67 947 654</b>
<b>NET ASSETS/(LIABILITIES)</b>			
Reserves	17	86 820	52 572
Accumulated surplus/(deficit)	17	67 279 991	67 895 082
<b>Total net assets/(liabilities)</b>		<b>67 366 811</b>	<b>67 947 654</b>

## Statement of Financial Performance for the year ended 31 March 2018

		2017/18	2016/17
		R	Restated R
	Notes		
<b>REVENUE</b>			
<b><i>Revenue from Exchange Transactions</i></b>			
Operating revenue	19	240 088	195 548
Rental income	20	26 611	26 611
Interest Income	21	205 555	194 505
<b><i>Revenue from Non-Exchange Transactions</i></b>			
Gifts, sponsorships and donations received	22	4 882	21 119
Transfers and subsidies received	23	18 248 662	17 226 379
Transfers for special projects NLC	24	300 398	144 083
Transfers for special projects DAC	25	4 061 115	2 745 746
Heritage Asset donations	26	550 350	209 636
<b>Total revenue</b>		<b>23 637 661</b>	<b>20 763 627</b>
<b>EXPENSES</b>			
Administrative expenses	27	261 453	217 214
Audit fees	28	743 800	728 054
Amortisation charge	29	8 110	7 595
Depreciation charge	30	132 971	129 019
Other expenses	31	10 246 307	8 766 876
Staff costs	32	10 607 770	9 286 926
Transfer of Property	8	2 000 570	11 534 986
<b>Total expenses</b>		<b>24 000 981</b>	<b>30 670 670</b>
<b>Surplus/(deficit) from operations</b>		<b>(363 320)</b>	<b>(9 907 043)</b>
Loss from write-off of property plant and equipment	8	(1 194)	(698)
Impairment of Heritage Assets	9	(122 328)	-
Actuarial (loss)/gain	16	(94 000)	485 000
<b>Surplus/(deficit) for the year</b>		<b>(580 842)</b>	<b>(9 422 741)</b>



## Statement of changes in net assets for the year ended 31 March 2018

		Accumulated Surpluses/ (Deficits) R	Reserves R	Total R
	<b>Note</b>			
<b>Balance at 1 April 2016</b>	<b>17</b>	<b>(1 717 086)</b>	<b>44 762</b>	<b>(1 672 324)</b>
Prior period errors – adjustment	38	79 042 719	-	<b>79 042 719</b>
<b>Adjusted balance 1 April 2016</b>		<b>77 325 633</b>	<b>44 762</b>	<b>77 370 395</b>
Adjusted Deficit for the year		(9 422 741)	-	<b>(9 422 741)</b>
Deficit for the year		(843 137)	-	<b>(843 137)</b>
Prior period errors – adjustment	38	(8 579 604)	-	<b>(8 579 604)</b>
Transfers to/from reserves	17	(7 810)	7 810	-
<b>Balance at 31 March 2017</b>	<b>17</b>	<b>67 895 082</b>	<b>52 572</b>	<b>67 947 654</b>
Deficit for the year		(580 842)	-	<b>(580 842)</b>
Transfers to/from reserves	17	(34 248)	34 248	-
<b>Balance at 31 March 2018</b>	<b>17</b>	<b>67 279 991</b>	<b>86 820</b>	<b>67 366 811</b>

## Cash Flow Statement for the year ended 31 March 2018

		2017/18 R	2016/17 <i>Restated</i> R
	<b>Notes</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from Government Grants and customers		23 774 870	12 741 697
Cash paid to suppliers and employees		(12 660 512)	(10 823 777)
<b>Cash generated/(utilised) from operations</b>	<b>34</b>	<b>11 114 358</b>	<b>1 917 920</b>
Interest received	21	205 555	194 505
<b>Net cash flows from operating activities</b>		<b>11 319 913</b>	<b>2 112 425</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of intangible assets	7	-	(8 207)
Purchase of property, plant and equipment	8	(2 381 145)	(2 753 161)
Purchase of heritage assets	9	(5 495)	-
<b>Net cash flows from investing activities</b>		<b>(2 386 640)</b>	<b>(2 761 368)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8 933 273</b>	<b>(648 943)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>4</b>	<b>5 055 541</b>	<b>5 704 484</b>
<b>Cash and cash equivalents at end of the year</b>	<b>4</b>	<b>13 988 814</b>	<b>5 055 541</b>

# Statement of comparison of budget and actual amounts for the year ended 31 March 2018

	Note	Approved Budget	Adjustments	Final Budget	Actual Amounts on comparable basis	Difference between final budget and actual
		R	R	R	R	R
<b>OPERATIONS:</b>						
<b>INCOME</b>		<b>11 511 400</b>	<b>(13 255)**</b>	<b>11 498 145</b>	<b>11 514 167</b>	<b>(16 022)**</b>
Transfers and subsidies	23	11 084 000	-	11 084 000	11 084 000	-
Interest	21	160 000	25 000	185 000	205 555	(20 555)
Entrance fees	19	95 000	-	95 000	84 337	10 663
Sales	19	101 500	(22 500)	79 000	99 584	(20 584)
Rental income	20	23 400	1 845	25 245	25 245	-
Donations	22	6 000	(1 000)	5 000	4 882	118
Other income	19	41 500	(16 600)	24 900	10 564	14 336
<b>EXPENDITURE</b>		<b>11 511 400</b>	<b>(13 255)**</b>	<b>11 498 145</b>	<b>10 478 978</b>	<b>1 019 167**</b>
Administrative costs	27	165 920	34 167	200 087	261 453	(61 366)
Audit fees	28	196 900	43 335	240 235	233 091	7 144
Other Expenses	31	2 162 186	6 366	2 168 552	1 120 259	1 048 293
Staff Costs	32	8 932 394	(91 423)	8 840 971	8 835 129	5 842
Leave	10,32	20 000	-	20 000	4 271	15 729
Assets	7,8	34 000	(5 700)	28 300	24 775	3 525
Devolution Municipal Charges	11				1 000 000	(1 000 000)
<b>Surplus/(deficit)</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35 189</b>	<b>(35 189)</b>
<b>PROJECTS:</b>						
<b>NLC</b>						
Income	13,24	*1 167 875	-	1 167 875	1 167 875	-
Expenditure	13,31	(1 167 875)	-	(1 167 875)	(300 398)	(867 477)
<b>Surplus/(deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>867 477</b>	<b>867 477</b>
Amount carried forward	13	-	-	-	(867 477)	(867 477)
<b>Surplus/(deficit)</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Balance carried over from previous year

\*\*Refer to note 33 for explanations for material differences between the original and final budget as well as budget and actual comparable amounts

## Statement of comparison of budget and actual amounts for the year ended 31 March 2018 (continued)

	Note	Approved Budget	Adjustments	Final Budget	Actual Amounts on comparable basis	Difference between final budget and actual
		R	R	R	R	R
<b>DAC SPECIAL PROJECTS – UNSPENT CONDITIONAL GRANTS</b>						
Income	12,25	*1 652 833	12 000 000	13 652 833	13 652 833	-
Interest on project funds	12	-	471 974	471 974	471 974	-
Expenditure	12,31	(1 652 833)	(12 471 974)	(14 124 807)	(4 062 599)	(10 062 208)
<b>Surplus/(deficit)</b>		-	-	-	<b>10 062 208</b>	<b>10 062 208</b>
Amount carried forward	12	-	-	-	(10 062 208)	(10 062 208)
<b>Surplus/(deficit)</b>	<b>33</b>	-	-	-	-	-
<b>DAC SPECIAL PROJECTS – RESERVES</b>						
Income	17	*9 584	-	9 584	9 584	-
Expenditure	31	(9 584)	-	(9 584)	(2 231)	(7 353)
<b>Surplus/(deficit)</b>		-	-	-	<b>7 353</b>	<b>7 353</b>
Amount carried forward	17	-	-	-	(7 353)	(7 353)
<b>Surplus/(deficit)</b>	<b>33</b>	-	-	-	-	-
<b>SPONSORSHIPS/ROYALTIES – RESERVES</b>						
Income	17	*42 988	37 996	80 984	80 984	-
Expenditure	31	(42 988)	(37 996)	(80 984)	(11 331)	(69 653)
<b>Surplus/(deficit)</b>		-	-	-	<b>69 653</b>	<b>69 653</b>
Amount carried forward	17	-	-	-	(69 653)	(69 653)
<b>Surplus/(deficit)</b>	<b>33</b>	-	-	-	-	-

\*Balance carried over from previous year

\*\*Refer to note 33 for explanations for material differences between the original and final budget as well as budget and actual comparable amounts



## Statement of comparison of budget and actual amounts for the year ended 31 March 2018 (continued)

Reconciliation between Actual Amounts on a comparable basis presented above to net increase/(decrease) in cash and cash equivalents for the year per the Cash Flow Statement:

	Notes	Operating Activities R	Investing Activities R	Financing Activities R	Total R
Total income on a comparable basis		26 897 417	-	-	26 897 417
<i>Balances carried over from prior period</i>		(2 873 280)	-	-	(2 873 280)
		24 024 137	-	-	24 024 137
Adjusted for Basis Differences:		(249 267)	-	-	(249 267)
Interest received	21	(205 555)	-	-	(205 555)
Trade and other receivables	5	(52 686)	-	-	(52 686)
Royalties	33	7 608	-	-	7 608
Straight-lining of Operating lease	20	1 366	-	-	1 366
<b>Actual amount in the Statement of Cash Flows</b>		<b>23 774 870</b>	<b>-</b>	<b>-</b>	<b>23 774 870</b>
Total expenditure on a comparable basis		(14 855 537)	-	-	(14 855 537)
Adjusted for Basis Differences:		2 195 025	(2 386 640)	-	(191 615)
Purchases of property, plant and equipment	8	2 381 145	(2 381 145)	-	-
Purchase of heritage assets	9	5 495	(5 495)	-	-
Trade and other payables (excl. audit fees 2018/2019)	10	51 464	-	-	51 464
Medical aid benefits Continuation members	16	(312 000)	-	-	(312 000)
Retention fees movement	10	1 484	-	-	1 484
Special project leave accrual	10	67 438	-	-	67 438
<b>Actual amount in the Statement of Cash Flows</b>		<b>(12 660 512)</b>	<b>(2 386 640)</b>	<b>-</b>	<b>(15 047 152)</b>
Interest received	21	205 555	-	-	205 555
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4</b>	<b>11 319 913</b>	<b>(2 386 640)</b>	<b>-</b>	<b>8 933 273</b>

## Notes to the Financial Statements for the year ended 31 March 2018

### 1. Accounting Policies

These financial statements are for The War Museum of the Boer Republics. The following are the principle accounting policies of the Museum which are, in all material respects, consistent with those applied in the previous financial year, except as otherwise indicated:

#### 1.1 Basis of preparation

The financial statements, to the extent that it is practicable, have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (PFMA), Act 1 of 1999. It is impracticable to apply a requirement of GRAP when the Museum cannot apply it after making every reasonable effort to do so.

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, unless specified otherwise.

The cash flow statement was prepared in accordance with the direct method.

The amount and nature of any restrictions on cash balances were disclosed where appropriate.

#### 1.2 Currency

These financial statements are presented in South African Rand (R) since that is the currency in which the majority of the Museum's transactions are denominated. Amounts presented have been rounded to the nearest R1.

#### 1.3 Revenue recognition

##### ***Revenue from Exchange Transactions***

These are transactions where revenue accrued to the entity directly in return for services rendered and goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

Revenue from exchange transactions are only recognised once all of the following criteria have been satisfied:

- The Museum retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably; and
- It is probable that the economic benefits or services potentially associated with the transaction will flow to the Museum and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### ***Income received from entrance fees, sale of goods and royalties***

Revenue from the sale of goods and royalties is recognized when significant risks and rewards of ownership of the goods have been transferred to the purchaser and the amounts of revenue can be measured reliably.

Revenue from the sale of tickets for entrance fees is only recognised when the Museum's related obligation to perform has been extinguished.

Revenue is measured at the fair value of the consideration received or receivable.

## Notes to the Financial Statements for the year ended 31 March 2018

### 1.3 Revenue recognition (continued)

#### *Interest income*

Interest income earned is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity.

#### **Revenue from Non-Exchange Transactions**

These are transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

#### *Government Grants, sponsorships and donations*

Income received from grants, sponsorships and donations are recognised as revenue when the entity gains control of the resources that meet the definition of an asset and thus where it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Revenue is recognised to the extent that a liability is not also recognised in respect of the same income i.e. where no conditions exist with a corresponding requirement to return the income to the transferor. When a condition exists with a corresponding requirement to return the income to the transferor, a liability is recognised until such time as the condition is fulfilled and no further obligation to return the income to the transferor exists in which case revenue is recognised.

#### *Services in-kind*

Services in-kind that are significant to the Museum's operations and/or service delivery objectives are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the entity. Services in-kind, such as the free use of the building in which the Museum is housed, are measured at their fair value as at the date of acquisition.

### 1.4 Retirement benefit costs

The Museum operates a defined contribution retirement plan, the assets of which are generally held in separate trustee-administered funds. The plan is generally funded by payments from the Museum's employees, taking into account the recommendations of independent qualified actuaries.

Payments to defined contribution retirement plans are charged to the statement of financial performance in the year to which they relate.

The museum also operates a post-employment health care benefit plan. The current service cost, interest cost and liability are determined by means of an actuarial valuation. The vested current service cost is immediately acknowledged in the statement of financial performance as an expense, while the non-vested current service cost, if any, is acknowledged as an expense on a straight line basis over the average period until the benefit will be vested.

Actuarial gains and losses are recognised through surplus and deficit in the period in which they occur.

### 1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the supply of goods or services or for administrative purposes and are expected to be used during more than one year. Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the Museum and the cost or fair value of the item can be measured reliably.

## Notes to the Financial Statements for the year ended 31 March 2018

### 1.5 Property, plant and equipment (continued)

Property, plant and equipment are stated at cost (where acquired through exchange transactions) less accumulated depreciation and any accumulated impairment losses. Items of property, plant and equipment acquired through non-exchange transactions are measured at their fair value as at the date of acquisition.

Depreciation is charged so as to systematically write off the cost or valuation of assets over their estimated useful lives to its residual value, using the straight line method.

Annual depreciation rates are based on the following ranges of estimated asset useful lives:

Vehicles	9 - 19 years
Computer equipment	5 - 19 years
Electronic equipment	3 - 30 years
Donated assets	5 - 20 years
Other assets	3 - 38 years

Depreciation commences when the asset is ready for its intended use.

If the cost of a part of an item is considered to be significant in relation to the total cost of the item, that part is depreciated separately. The useful lives and residual value of assets are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of financial performance.

The museum at each reporting date assesses whether there is any indication that assets may be impaired. Where the recoverable amount of an asset is less than its carrying amount the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in the surplus and deficit.

### 1.6 Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised in the Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Museum and the cost can be reliably measured.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired by the Museum for no consideration, the cost is deemed to be equal to the fair value of the asset on the date acquired. Subsequent to initial recognition, intangible assets shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to systematically write off the cost or valuation of assets over their estimated useful lives to its residual value, using the straight line method on the following bases.

The annual amortisation rates are based on the following estimated average asset lives:

Computer software	2 - 13 years
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The residual value of an intangible asset with a finite useful life shall be assumed to be zero.

The amortisation period and the amortisation method are reviewed at each financial year-end.



## Notes to the Financial Statements for the year ended 31 March 2018

### 1.6 Intangible Assets (continued)

The museum at each reporting date assesses whether there is any indication that assets may be impaired. Where the recoverable amount of an asset is less than its carrying amount the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in the surplus and deficit.

The gain or loss arising from the derecognition of an intangible asset (upon disposal or when no future economic benefits/service potential are expected from its use or disposal) is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset, and is recognised in surplus and deficit when the asset is derecognised.

### 1.7 Inventories

Inventories are carried at the lower of cost or net realisable value. Net realisable value represents the estimated selling price in the ordinary course of operations less the estimated cost of completion and estimated cost necessary to make the sale, exchange or distribution. Inventories are measured using the First-in-first-out technique. Inventory acquired at no cost are carried at its fair value as at the date of acquisition.

### 1.8 Financial instruments

#### ***Recognition***

Financial assets and financial liabilities are recognised on the Museum's statement of financial position when and only when the Museum becomes a party to the contractual provisions of the instrument.

Upon initial recognition the entity classifies financial instruments as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

#### ***Measurement***

Financial instruments are initially measured at fair value, plus, in the case of a financial asset or financial liability not subsequently measured at fair value, transaction costs directly attributable to the acquisition or use of the financial asset or financial liability.

Subsequent to initial recognition these instruments are measured as set out below:

#### ***Financial assets***

The Museum's principle financial assets are trade and other receivables and cash and cash equivalents.

- Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition. Subsequent to initial measurement, trade and other receivables are stated at amortised cost, less provisions for impairment. All trade and other receivables are assessed at least annually for possible impairment.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current.

## Notes to the Financial Statements for the year ended 31 March 2018

### 1.8 Financial instruments (continued)

- Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash deposits held with different banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

#### Financial liabilities

The Museum's principle financial liabilities include accounts and other payables.

- Trade and other payables

Trade and other payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

### 1.9 Provisions and Contingencies

Provisions are liabilities of uncertain timing or amount. Provisions are recognized when the Museum has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Museum.

A contingent liability is

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Museum; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Museum does not recognise contingent assets and liabilities. Contingent liabilities are disclosed in note: 18.

### 1.10 Comparative figures

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are also restated and reclassified. The nature and reason for the reclassification will be disclosed where necessary. Where accounting errors relating to prior periods have been identified in the current year, the correction is made retrospectively as far as it is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods, unless specified otherwise.

## Notes to the Financial Statements for the year ended 31 March 2018

### 1.11 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments held with registered banking institutions. Investments are highly liquid and are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at amortised cost, which equates their fair value.

### 1.12 Post reporting date events

Where an event occurs after the reporting date that has an effect on a situation that occurred before the reporting date, the effect will be acknowledged in the financial statements.

However, where an event occurs after the reporting date that has no effect on a situation that occurred before the reporting date, the effect will be acknowledged in a note to the financial statements, if the fair presentation of the financial statements are affected.

### 1.13 Income taxation

In terms of section 10(1) the War Museum of the Boer Republics is exempted from taxation and the approval for exemption was granted in terms of section 18A of the Income tax Act, No. 58 of 1962.

### 1.14 Heritage Assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

#### Recognition:

Heritage assets are recognised if it is probable that future economic benefits or service potential associated with the asset will flow to the Museum and where the cost or fair value of the asset can be measured reliably.

The Museum will assess the degree of certainty attached to the flow of future service potential or economic benefits:

- a) If the Museum holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.
- b) For recognition of heritage assets, the asset needs to be controlled by the Museum as a result of past events. Such events may include: purchase, donation, bequeath, loan or transfer.
- c) The research required to identify, analyse and classify heritage items often spans several months, even years. These items cannot be recognised in the financial statements, but will be recorded and controlled in the register. Relevant and useful information about them shall be disclosed in the notes to the financial statements.

#### Measurement:

The value of assets has been determined using either cost or fair value.

Values have been assigned to the heritage assets, which are considered to be appreciating in value, and which values are to be reviewed from time to time. Wherever possible, the appraisers have adopted the discipline of "Open Market" principles in determining value, however, values derived are largely determined by the skill and experience applied by the appraiser at the date of valuation.

## Notes to the Financial Statements for the year ended 31 March 2018

### 1.14 Heritage Assets (continued)

#### Directive 7 – Use of deemed cost for heritage assets upon initial recognition and adoption of a standard

The following terms are used in this Directive with the meanings specified:

- a) Acquisition cost: When an entity initially recognises assets such as items of property, plant and equipment, investment properties, intangible assets and heritage assets using the Standards of GRAP, it measures those assets using either cost (if the asset is acquired in an exchange transaction) or fair value (if the asset is acquired in a non-exchange transaction). This cost or fair value on initial acquisition of an asset is the acquisition cost.
- b) Deemed cost: Deemed cost is a surrogate value for the cost or fair value of an asset at its initial acquisition, and is determined by reference to the fair value of the asset at the date of adopting the Standards of GRAP (measurement date).
- c) Measurement date (for purposes of this Directive): Measurement date is the date that an entity adopts the Standards of GRAP and is the beginning of the earliest period for which an entity presents full comparative information in its first financial statements prepared using Standards of GRAP.

For the purpose of this Directive, measurement of assets at fair value on the adoption of the Standards of GRAP, does not constitute:

- a) a revaluation in accordance with the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets; or
- b) the application of the fair value model in the Standards of GRAP on Investment Property, paragraph A4, which states that subsequent depreciation, if applicable, is based on that deemed cost, and starts from the measurement date.

#### Initial entries using deemed cost

When an entity initially measures assets using the deemed cost approach in this Directive, it recognises the effect:

- a) as an adjustment to the opening balance of accumulated surpluses or deficits in the opening statement of financial position prepared using Standards of GRAP; or
- b) in revaluation surplus if an entity adopts the revaluation model in the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets.

The Museum has adopted the cost model for Heritage Assets.

Heritage assets shall not be depreciated but the Museum shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

#### Valuation of heritage assets

The existence of published price quotations in an active market is the best evidence of the fair value, such as the quoted price from recent auctions published in local newspapers; however if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market; the fair value of a heritage asset can be determined from market-based evidence arrived at by appraisal. An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. The fair value will be ascertained by reference to quoted prices in an active and liquid market (GRAP 103.46).

The valuation of heritage assets was performed by a member of the valuation profession.



## Notes to the Financial Statements for the year ended 31 March 2018

### 1.14 Heritage Assets (continued)

Valuation of heritage assets:

a) Valuation Techniques

Where the fair value of an asset cannot be determined, and where no evidence is available to determine the market value in an active market of a heritage asset; a valuation technique may be used to determine its fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable willing parties, if available, and reference to the current fair value of other heritage assets that have substantially similar characteristics in similar circumstances and locations, adjusted for any specific differences in circumstances. If there is a valuation technique commonly used by market participants to price such an asset, and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity may use that technique in determining the fair value (GRAP 103.47).

b) Inability to Value

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17). Where the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements. These items are controlled in the asset register.

c) Valuing an entire collection

In determining the fair value of a collection, the entity has considered where appropriate, whether the entire collection has a higher value than the sum of the values of the individual items making up that collection. Under such circumstances, the carrying value of the entire collection may need to be reassessed, when a group of individual heritage assets constitutes a collection. If items are removed from the collection, the value of the collection may also need to be reassessed (GRAP 103.45).

#### Heritage Asset Classification

A class of heritage assets is a grouping of heritage assets of a similar nature or function in the Museum's operations, which is shown as a single item for the purpose of disclosure in the financial statements. The Museum has recognised the following classes of heritage assets:

- Philately
- Documents
- Photographic
- Library Material
- 3 Dimensional Objects

#### Heritage Assets on loan to other institutions

The financial statements shall disclose information on heritage assets that are borrowed from, or on loan to other entities.

## Notes to the Financial Statements for the year ended 31 March 2018

### 1.14 Heritage Assets (continued)

#### Retrospective Application

Although the Museum adopted the accounting standard on 1 April 2012, it has taken advantage of the transitional period of three (3) years to fully implement GRAP 103 in terms of Directive 2. The three year period in which entities were not required to measure heritage assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Heritage Assets has ended.

Where entities have not yet determined the deemed cost of those assets within the scope of Directive 7, they should consider GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors, and consider whether this change in accounting policy can be applied retrospectively from this date, or whether it is impracticable to do so.

GRAP 3 states that: "When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable..."

It may be impracticable to determine the deemed cost retrospectively if, for example, the following circumstances exist:

- a) Relevant data may not have been collected in the prior period and cannot be obtained by alternative means that allows for retrospective application.
- b) The entity is required to make significant estimates and assumptions about conditions that existed at a point in time in the past and cannot do so objectively without using hind-sight.

#### Impairment

At each reporting date, the Museum assesses whether there is an indication that it may be impaired. If any such indication exists, the Museum shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

#### Transfers

Transfers from heritage assets are made when, and only when, the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are made when, and only when, the particular asset meets the definition of a heritage asset.

#### De-recognition

The carrying amount of a heritage asset is de-recognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the de-recognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is de-recognised.

## **Notes to the Financial Statements for the year ended 31 March 2018**

### **1.15 Budget information**

The War Museum's budget is compiled on a cash basis with an economic classification. It covers the same period as the financial statements, namely 1 April to 31 March of each year.

### **1.16 Operating leases**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease revenue from operating leases shall be recognised as revenue on a straight-line basis over the lease term.

### **1.17 Related parties**

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only other national entities where control exists are considered to be related parties.

Management is regarded as related parties of the Museum. Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. All individuals from the level of Senior Management, as well as the members of the Accounting Authority are considered Management.

A related party transaction is a transfer of resources or obligation between related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or if the related party and another entity are subject to common control.

Related party disclosures for transactions between government entities that took place on terms and conditions that are considered to be at arm's length and in the ordinary course of business are not disclosed in accordance with IPSAS 20 Related Party Disclosure.

## **2. Adoption of Standards of Generally Recognised Accounting Practice**

The Museum did not adopt new GRAP standards during the current financial year.

## **3. Critical Accounting estimates and judgements in applying accounting policies**

The Museum makes estimates and assumptions that affect the reported amounts of assets and liabilities at date of financial position as well as the reported income and expenses for the year.

Estimates and judgements are evaluated annually and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **3.1 Post-employment health care benefit liabilities**

The costs of the benefits and the present value of the post-employment health care benefit liability depend on a number of factors that are determined by an actuarial valuation using a number of assumptions. The main assumptions used in determining the charge to the income statement arising from these obligations include discount rates, medical aid inflation and expected retirement age. Any changes in these assumptions will impact the charge to the statement of financial performance.

## Notes to the Financial Statements for the year ended 31 March 2018

### 3. Critical Accounting estimates and judgements in applying accounting policies (continued)

#### 3.1 Post-employment health care benefit liabilities (continued)

##### *Discount rate*

The discount rate is determined based on the yields of appropriate term high quality corporate bonds. If no deep market in such bonds is available, the yield on government bonds of appropriate term is applied in the setting of the assumption.

The methodology of setting the financial assumptions is duration specific. The duration of liabilities was estimated to be 14.25 years.

The discount rate was based on the yield of long term government bonds, converted to annual effective rates, given that the high quality corporate bond market in South Africa is not very deep.

The yield at the previous duration of liabilities from a derived nominal bond zero coupon yield curve was 8.78% per annum as at 31 March 2018. A discount rate of 8.78% per annum has therefore been applied at the current valuation date.

##### *Price inflation and Medical aid contribution increase rate*

Considering the difference between the yields on long term nominal bonds, 8.78% and inflation linked bonds (taken from the same duration point from the zero coupon real yield curve, similarly converted to annual effective rates), a long term price inflation rate of 5.87% per annum is implied.

Future medical aid premiums will be dependent on the level of medical aid inflation in the future. Medical aid inflation is dependent on a number of factors including possible changes in legislation, changes in the balance between public and private health sectors, economic trends, improvement in medical technology, utilisation trends, the influence of financial incentives / disincentives, managed care initiatives, political influences and AIDS.

Given past trends, medical aid contribution inflation is expected to exceed general price inflation. A margin of 1.50% above price inflation has been applied for future medical aid contribution increases. A long term medical aid contribution increase rate of 7.37% per annum was therefore assumed at the current valuation date.

##### *Expected retirement age*

The normal retirement age is 65. It was assumed that all members will retire at their stated normal retirement age.

Additional information is provided in Note 15 and 16 of these financial statements

#### 3.2 Asset lives and residual values

Assets are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, extent of usage and maintenance requirements are taken into account. Residual value assessments consider the current market value for similar assets that were already of the age and condition expected at the end of the asset's life should it be disposed off.



## **Notes to the Financial Statements for the year ended 31 March 2018**

### **3. Critical Accounting estimates and judgements in applying accounting policies (continued)**

#### **3.3 Fair value of the free use of buildings**

The Museum is housed in Government owned buildings, the latter is used free of charge. The fair value of this service in-kind was estimated using the rental charged by the Free State Department of Public Works for similar sized buildings adjusted to the exact square meters of the Museum's buildings. This amount was adjusted with 10% (which is the industry norm for rental increases) and rolled back to determine the prior year fair value of the service in-kind. See notes 23, 31, 36 and 38.

## Notes to the Financial Statements for the year ended 31 March 2018

### 4. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term, highly liquid investments that are held with registered banking institutions with maturities of 3 months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates their fair value.

Balances at the Corporation for Public Deposits earn interest at an effective rate of 6.89% (2016/17: 7.32%).

	2017/18 R	2016/17 R
Cash at bank:		
ABSA – account: 047 060 1302	1 079 948	752 403
Corporation Public Deposits – account: 95271074	2 753 844	2 648 289
Corporation Public Deposits – account: 95181172	10 148 822	1 652 849
Cash on hand	6 200	2 000
<b>Total</b>	<b>13 988 814</b>	<b>5 055 541</b>

As required in sections 7(2) and 7(3) of the Public Finance Management Act, the National Treasury has approved the bank where the bank account is held.

See note 37 – Financial instruments

### 5. Trade and other receivables from exchange transactions

Trade receivables	68 413	18 467
Pre-paid expense	2 740	-
Deposits with suppliers	825	825
<b>Total</b>	<b>71 978</b>	<b>19 292</b>

Age analysis of trade receivables from exchange transactions:

None of the debt was past due at 31 March 2018 or impaired.

Less than 30 days	68 413	18 467
Less than 60 days	-	-
Less than 90 days	-	-
<b>Total</b>	<b>68 413</b>	<b>18 467</b>

See note 37 – Financial instruments

### 6. Inventories

Consumables	14 900	16 865
Publications	664 580	626 814
Curio items	2 289	2 104
<b>Total</b>	<b>681 769</b>	<b>645 783</b>

## Notes to the Financial Statements for the year ended 31 March 2018

### 7. Intangible Assets

	Computer Software	Total
<b>Year ended 31 March 2017</b>		
Cost	58 740	58 740
Accumulated Amortisation	(33 698)	(33 698)
<b>Opening net carrying amount</b>	<b>25 042</b>	<b>25 042</b>
Additions	8 207	8 207
Amortisation	(7 595)	(7 595)
Write-off at carrying value	-	-
<b>Net carrying amount 31 March 2017</b>	<b>25 654</b>	<b>25 654</b>
<b>Reconciliation at 31 March 2017</b>		
<b>Cost price</b>	<b>60 506</b>	<b>60 506</b>
Cost price	66 947	66 947
Write-off at cost	(6 441)	(6 441)
<b>Accumulated Amortisation</b>	<b>(34 852)</b>	<b>(34 852)</b>
Accumulated Amortisation	41 293	41 293
Write-off - Accumulated Amortisation	(6 441)	(6 441)
	<b>25 654</b>	<b>25 654</b>
<b>Year ended 31 March 2018</b>		
Opening net carrying amount	25 654	25 654
Additions	-	-
Amortisation	(8 110)*	(8 110)
Write-off at carrying value	-	-
<b>Net carrying amount 31 March 2018</b>	<b>17 544</b>	<b>17 544</b>
<b>Reconciliation at 31 March 2018</b>		
<b>Cost price</b>	<b>59 757</b>	<b>59 757</b>
Cost price	60 506	60 506
Write-off at cost	(749)	(749)
<b>Accumulated Amortisation</b>	<b>(42 213)</b>	<b>(42 213)</b>
Accumulated Amortisation	42 962	42 962
Write-off - Accumulated Amortisation	(749)	(749)
	<b>17 544</b>	<b>17 544</b>

\*Amortisation is net of changes in estimates disclosed in note 39.

## Notes to the Financial Statements for the year ended 31 March 2018

### 8. Property, Plant and Equipment

	Property (Buildings)	Computer equipment	Electronic equipment	Vehicles	Donated assets	Other assets	Total
<b>Year ended 31 March 2017:</b>							
Cost	14 945 497	272 351 (164 212)	532 016 (370 522)	762 033 (81 657)	74 937 (39 389)	663 755 (267 018)	17 250 589 (922 798)
Accumulated Depreciation	-	-	-	-	-	-	-
<b>Opening net carrying amount</b>	<b>14 945 497</b>	<b>108 139</b>	<b>161 494</b>	<b>680 376</b>	<b>35 548</b>	<b>396 737</b>	<b>16 327 791</b>
Additions	2 745 746	4 036	-	-	-	3 379	2 753 161
Depreciation	-	(38 684)	(30 201)	(23 820)	(8 601)	(27 713)	(129 019)
Transfer of Property	(11 534 986)	-	-	-	-	-	(11 534 986)
Write-off at carrying value	-	(18)	-	-	-	(680)	(698)
<b>Net carrying amount 31 March 2017</b>	<b>6 156 257</b>	<b>73 473</b>	<b>131 293</b>	<b>656 556</b>	<b>26 947</b>	<b>371 723</b>	<b>7 416 249</b>
<b>Reconciliation at 31 March 2017:</b>							
<b>Cost price</b>	<b>6 156 257</b>	<b>269 410</b>	<b>451 022</b>	<b>762 033</b>	<b>74 937</b>	<b>662 155</b>	<b>8 375 814</b>
Cost price	6 156 257	276 387	532 016	762 033	74 937	667 134	8 468 764
Write-off at cost	-	(6 977)	(80 994)	-	-	(4 979)	(92 950)
<b>Accumulated Depreciation</b>	<b>-</b>	<b>(195 937)</b>	<b>(319 729)</b>	<b>(105 477)</b>	<b>(47 990)</b>	<b>(290 432)</b>	<b>(959 565)</b>
Accumulated Depreciation	-	202 896	400 723	105 477	47 990	294 731	1 051 817
Write-off Accumulated Depreciation	-	(6 959)	(80 994)	-	-	(4 299)	(92 252)
<b>Year ended 31 March 2018:</b>							
Opening net carrying amount	6 156 257	73 473	131 293	656 556	26 947	371 723	7 416 249
Additions	1 993 514	73 473	131 293	656 556	26 947	371 723	7 416 249
Depreciation charge	-	109 754	247 301	-	-	30 575	2 381 145
Transfer of Property	(2 000 570)	(36 341)*	(36 701)*	(23 652)*	(8 201)*	(28 076)*	(132 971)
Write-off at carrying value	-	-	-	-	-	-	(2 000 570)
<b>Net carrying amount 31 March 2018</b>	<b>6 149 201</b>	<b>145 926</b>	<b>341 893</b>	<b>632 904</b>	<b>18 746</b>	<b>373 988</b>	<b>7 662 658</b>
<b>Reconciliation at 31 March 2018:</b>							
<b>Cost price</b>	<b>6 149 201</b>	<b>373 797</b>	<b>698 323</b>	<b>762 033</b>	<b>74 937</b>	<b>681 410</b>	<b>8 739 701</b>
Cost price	6 149 201	379 164	698 323	762 033	74 937	692 730	8 756 388
Write-off at cost	-	(5 367)	-	-	-	(11 320)	(16 687)
<b>Accumulated Depreciation</b>	<b>-</b>	<b>(227 871)</b>	<b>(356 430)</b>	<b>(129 129)</b>	<b>(56 191)</b>	<b>(307 422)</b>	<b>(1 077 043)</b>
Accumulated Depreciation	-	232 278	356 430	129 129	56 191	318 508	1 092 536
Write-off Accumulated Depreciation	-	(4 407)	-	-	-	(11 086)	(15 493)
<b>Net carrying amount 31 March 2018</b>	<b>6 149 201</b>	<b>145 926</b>	<b>341 893</b>	<b>632 904</b>	<b>18 746</b>	<b>373 988</b>	<b>7 662 658</b>

\*Depreciation is net of changes in estimates disclosed in note 39.



## Notes to the Financial Statements for the year ended 31 March 2018

### 9. Heritage Assets

	Objects	Documents	Philatelic	Library	Photographic	Total
<b>Year ended 31 March 2017:</b>						
<b>Opening balance</b>	<b>44 945 258</b>	<b>10 964 468</b>	<b>2 452 180</b>	<b>1 975 297</b>	<b>3 760 019</b>	<b>64 097 222</b>
Additions	-	-	-	-	-	-
Donations	167 610	17 600	6 800	15 234	2 392	<b>209 636</b>
<b>At 31 March 2017</b>	<b>45 112 868</b>	<b>10 982 068</b>	<b>2 458 980</b>	<b>1 990 531</b>	<b>3 762 411</b>	<b>64 306 858</b>
<b>Year ended 31 March 2018:</b>						
<b>Opening balance</b>	<b>45 112 868</b>	<b>10 982 068</b>	<b>2 458 980</b>	<b>1 990 531</b>	<b>3 762 411</b>	<b>64 306 858</b>
Additions	3 500	-	-	1 995	-	<b>5 495</b>
Donations	217 468	291 332	8 150	27 811	5 589	<b>550 350</b>
Impairment	-	-	-	122 328	-	<b>122 328</b>
<b>At 31 March 2018</b>	<b>45 333 836</b>	<b>11 273 400</b>	<b>2 467 130</b>	<b>1 898 009</b>	<b>3 768 000</b>	<b>64 740 375</b>

#### Additions

For recognition of heritage assets, the asset needs to be controlled by the Museum as a result of past events. Such events may include: purchase, donation, bequeath, loan or transfer.

#### Loans

Valid and duly authorised Loan Agreements have been concluded with the following entities in accordance with the Museums Heritage Asset Management Policy:

- Voortrekker Monument
- National Army Museum New Zealand
- Magersfontein Museum
- The Cape Women's Agricultural Association Textile Museum
- Dutch Reformed Church Bultfontein

#### Impairment

At each reporting date, the Museum assesses its heritage assets to determine whether there is an indication that they may be impaired. If any such indication exists, the Museum shall estimate the recoverable amount or the recoverable service amount of the heritage asset:

- Where acquisitions have been fair valued and assessed, the valuation surplus/loss has been disclosed accordingly.
- Where acquisitions have been assessed with no significant change in fair value for the period under review, they are disclosed at cost or fair value.
- All remaining items valued and disclosed have been assessed and fair valued as at the date of recognition.

#### Inability to Value

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17). Where the Museum holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements.

## Notes to the Financial Statements for the year ended 31 March 2018

### 9. Heritage Assets (continued)

#### Assets Not Valued and Not Affecting the Annual Financial Statements

- Items on exhibition. The items include replicas which are used for exhibition and educational purposes, these are expensed.
- The nature of the museum library collection is diverse in its composition. Some of its collection items meet the definition of a heritage asset and some do not. The Museum has identified material of research value which are held as reference materials but not valued, these included annual publications, thesis and reports.

#### Retrospective Application

The values for 31 March 2018, which we deem reliable, have been used as “rolled back” opening balances for 1 April 2016. Based on the Accounting Policy, it can then in essence be “rolled forward” as closing balances. Any retrospective adjustment prior to 1 April 2016 was considered impracticable.

### 10. Trade and other payables from exchange transactions

	2017/18 R	2016/17 R
Trade payables	1 104 600	542 427
Trade creditors	97 925	7 824
Retention fees payable	49 389	50 873
Payable for audit fees*	957 286	483 730
Accrual – Leave	630 993	579 461
Opening balance	579 461	500 138
Increase during the year	55 803	117 730
Amounts paid during the year	(4 271)	(38 407)
Accrual – Leave GRAP 103	67 438	-
Opening balance	-	-
Increase during the year	67 438	-
Amounts paid during the year	-	-
<b>Total</b>	<b>1 803 031</b>	<b>1 121 888</b>

See note 37 – Financial instruments

\*The Auditor-General on an annual basis in terms of statutory requirements (Section 11 of the Cultural Institutions Act and Section 58 of the PFMA) performs an audit of the Museum’s financial affairs and issues an audit report to parliament.

Section 23(6) of the Public Audit Act, which deals with audit fees, states that:

“If the audit fee exceeds 1% of the total current and capital expenditure of such auditee for the relevant financial year, such excess must be defrayed from the National Treasury’s vote, provided that the National Treasury is of the view that the auditee has financial difficulty to settle the cost. This excludes national and provincial departments.”

The Museum has always in the past been among Entities listed by National Treasury with financial difficulty to settle cost of audit fees. The subsidy and income of the Museum does not allow for the budget provision of audit fees in excess of 1% of the Museum’s total current and capital expenditure. Therefore audit fees in excess of 1% of the total current and capital expenditure must be defrayed from the National Treasury’s vote and thus be paid by National Treasury to the Auditor-General.

## Notes to the Financial Statements for the year ended 31 March 2018

### 10. Trade and other payables from exchange transactions (continued)

It is the practice of National Treasury that invoices in excess of the 1% which is to be defrayed from its vote be submitted for payment to National Treasury by the Auditor-General directly, payment of such is then made by National Treasury to the Auditor-General.

**The payable for audit fees included in the balances above relates to amounts which, in terms of Section 23(6) of the Public Audit Act, must be defrayed from the National Treasury's vote and will therefore not be settled by the Museum.**

**The Museum, after consultation with the Auditor-General, resolved to include the balances subject to an understanding between the parties that it does so with the proviso that the inclusion thereof not infringe on the Museum's rights in this regard.**

### 11. Devolution of Municipal Charges

	2017/18 R	2016/17 R
Municipal accounts	1 000 000	-
<b>Total</b>	<b>1 000 000</b>	<b>-</b>

The National Treasury approved the devolution of Municipal Charges to the Museum from 1 April 2017. The Museum received an allocation for this purpose amounting to R1 000 000. The National Department of Public Works (NDPW) has been approached by the Department of Arts and Culture to provide guidance of how the devolution of the accounts will be affected, the latter is still outstanding. The NDPW continued to pay Municipal Charges on behalf of the Museum – the assistance was recognised per the practice in the past, see note 23 and 31. The Museum has not yet been informed as to how the allocation received should be dealt with.

### 12. Liabilities for transfers for special projects DAC

Carpets and lighting rails	40	40
New exhibition wing and storage facility	26 410	24 550
Garden of remembrance	1 685	81 934
Extension of restaurant kitchen and electrical infrastructure	7 283	8 389
Guard House	55 242	1 537 920
GRAP 103 – Heritage Assets implementation	9 442 281	-
Major Maintenance	529 267	-
Retention fees payable	(49 389)	(50 873)
<b>Total</b>	<b>10 012 819</b>	<b>1 601 960</b>

Amounts received from the Department of Arts and Culture were for the following purposes:

The construction of a Guard House at the entrance road to the Museum and perimeter fence repairs/replacements	-	1 149 000
Major Maintenance	1 000 000	-
GRAP 103 (Heritage Assets) implementation	11 000 000	-
<b>Total</b>	<b>12 000 000</b>	<b>1 149 000</b>

Refer to note 8, 25 and 31 for income and expenditure.

## Notes to the Financial Statements for the year ended 31 March 2018

### 12. Liabilities for transfers for special projects DAC (continued)

In accordance with the conditions attached to the grants, the grants must be utilized exclusively for the purposes stated above and the Museum will be required to repay the funds should it be used for purposes other than those stated above without prior authorisation from National Treasury. Income is recognised to the extent that expenditure has been incurred. The unspent amounts represent the liability.

The funds received for the projects stated above are held at the Corporation for Public Deposits (SA Reserve Bank) in order to earn interest during periods in which expenses are not payable. Interest earned is added to the unspent portions disclosed.

#### Reconciliation at 31 March 2018:

	2017/18 R	2016/17 R
<b>Opening balance:</b>	<b>1 601 960</b>	<b>2 684 148</b>
Carpets and lighting rails	40	40
New exhibition wing and storage facilities	24 550	1 431 022
Retention fees provided	-	(256 554)
Garden of remembrance	81 934	367 833
Retention fees provided	-	(96 816)
Extension of restaurant	8 389	48 282
Retention fees provided	-	(10 363)
Guard House	1 537 920	1 200 704
Retention fees provided	(50 873)	-
<b>Amounts received during the period - DAC:</b>	<b>12 000 000</b>	<b>1 149 000</b>
Guard House	-	1 149 000
Major Maintenance	1 000 000	-
GRAP 103 - Heritage Assets Implementation	11 000 000	-
<b>Amounts spent during the period:</b>	<b>(4 061 115)</b>	<b>(2 382 012)</b>
New exhibition wing and storage facilities	-	(1 461 561)
Retention fees provided during the period	-	256 554
Garden of remembrance	(84 043)	(294 181)
Retention fees provided during the period	-	96 816
Extension of restaurant	(1 659)	(41 866)
Retention fees provided during the period	-	10 363
Guard House	(1 524 087)	(897 264)
Retention fees provided during the period	11 456	(50 873)
GRAP 103 – Heritage Assets Implementation	(1 937 061)	-
Major Maintenance	(515 749)	-
Retention fees provided during the period	(9 972)	-
<b>Interest earned on project funding:</b>	<b>471 974</b>	<b>150 824</b>
New exhibition wing and storage facilities	1 860	55 089
Garden of remembrance	3 794	8 282
Extension of restaurant	553	1 973
Guard House	41 409	85 480
GRAP 103 – Heritage Assets Implementation	379 342	-
Major Maintenance	45 016	-
<b>Closing balance</b>	<b>10 012 819</b>	<b>1 601 960</b>



## Notes to the Financial Statements for the year ended 31 March 2018

### 13. Liabilities for transfers for special projects NLC - Lotto

	2017/18 R	2016/17 R
NLC – Lotto # 43147	12 067	12 067
NLC – Lotto # 73476	855 410	1 155 808
<b>Total</b>	<b>867 477</b>	<b>1 167 875</b>

#### NLC – Lotto # 43147

The War Museum received an award of R2 173 000 (Tranche 2 - 2012/2013: R866 200) (Tranche 1 - 2010/2011: R1 306 800.00) from the National Lotteries Commission (NLC), for projects portraying black participation in the War of 1899-1902. Income is recognised to the extent that expenditure has been incurred. The unspent amounts represents the liability due to certain conditions attached thereto, stipulating that should the grant agreement be breached funds must be returned to the transferor, refer to note 31 for the amount of expenditure incurred and note 24 for income recognised.

#### NLC – Lotto # 73476

The War Museum received an award of R2 313 000 (Tranche 2 - 2016/2017: R956 000) (Tranche 1 - 2015/2016: R1 357 000) from the National Lotteries Commission (NLC), for projects relating to education, conservation, access for the blind and publications. Income is recognised to the extent that expenditure has been incurred. The unspent amounts represents the liability due to certain conditions attached thereto, stipulating that should the grant agreement be breached funds must be returned to the transferor, refer to note 31 for the amount of expenditure incurred and note 24 for income recognised.

### Reconciliation at 31 March 2018:

#### NLC – Lotto # 43147

Opening balance	12 067	12 067
Amounts spent during the period	-	-
<b>Closing balance</b>	<b>12 067</b>	<b>12 067</b>

#### NLC – Lotto # 73476

Opening balance	1 155 808	343 891
Amounts received during the period	-	956 000
Amounts spent during the period	(300 398)	(144 083)
<b>Closing balance</b>	<b>855 410</b>	<b>1 155 808</b>

### 14. Post-employment health care benefit liability – short term portion

Short term portion	316 000	292 000
<b>Total</b>	<b>316 000</b>	<b>292 000</b>

Refer to notes 15 and 16.

### 15. Post-employment health care information

Employees of the War Museum participate in various medical schemes.

The post-employment subsidy policy valued is summarised as follows:

#### *Employees receiving 100% subsidy*

- Members who were employed before 1 April 2006 and were receiving a medical aid subsidy on that date (and will continue to do so without interruption until retirement) are entitled to 100% of medical scheme contributions in retirement;

## Notes to the Financial Statements for the year ended 31 March 2018

### 15. Post-employment health care information (continued)

#### *Employees receiving a partial subsidy*

- Members who were employed before 1 April 2010, who belonged to or partook in the in-service medical aid subsidy programme for at least 10 years of service (continuous) when they retire, are entitled to a 66.67% subsidy of medical scheme contributions in retirement.
- Members who were employed before 1 April 2010, who belonged to or partook in the in-service medical aid subsidy programme for at least 5 years (continuous), but less than 10 years of service when they retire, are entitled to a 50% subsidy of medical scheme contributions in retirement.
- Members who were employed before 1 April 2010, who belonged to or partook in the in-service medical aid subsidy programme for less than 5 years of service when they retire are not entitled to a subsidy of medical scheme contributions in retirement.

#### *Employees not eligible for subsidy*

- Members who were employed on or after 1 April 2010 will not be entitled to any subsidy in medical scheme contributions in retirement.

#### *Other stipulations*

- Employees must be members of a medical scheme for a continuous period prior to retirement in order to be eligible for the subsidy in retirement and for the stated number of years as set out above.
- Dependants of eligible continuation members will receive a subsidy before and after the death of the principal member.
- If a member eligible for a retirement subsidy dies while in service, their dependants are not eligible for a subsidy of medical scheme contributions as described above.
- Continuation members will only be funded as far as they remain on the same type of medical aid benefit structure as to which they belonged directly prior to retirement.

An actuarial valuation of the medical aid benefit is done on an annual basis, starting on 31 March 2006.

#### Valuation Method:

The actuarial valuation method used by valuers, QDI Consult, to value the liabilities is the Projected Unit Credit Method.

The main actuarial assumptions used on reporting date:

	<b>2017/18</b>	<b>2016/17</b>
Discount rate	8.78% p.a.	9.70% p.a.
Healthcare cost inflation	7.37% p.a.	8.35% p.a.
Membership discontinued at retirement	0%	0%
Expected retirement age	65	65

The valuation has been performed on the assumption that the current subsidy arrangement and members' current options will remain in force.

It was assumed that all employees will retire at age 65.

## Notes to the Financial Statements for the year ended 31 March 2018

### 16. Post-employment health care benefit liability

	2017/18 R	2016/17 R
Present value of liability – non-current	6 113 000	5 630 000
– current	(316 000)	(292 000)
<b>Net liability</b>	<b>5 797 000</b>	<b>5 338 000</b>
Reconciliation of movement in net liability during the year:		
Opening benefit liability	5 630 000	5 680 000
Service cost	171 000	154 000
Interest cost	530 000	572 000
Actuarial loss/(gain)	94 000	(485 000)
Benefits paid	(312 000)	(291 000)
<b>Closing benefit liability</b>	<b>6 113 000</b>	<b>5 630 000</b>

All actuarial (gains)/losses are recognised in surplus/deficit during the year in which it occurs.

#### Trend information:

End of financial period:	2013/14 R	2014/15 R	2015/16 R	2016/17 R	2017/18 R
Present value of obligations	5 103 000	5 640 000	5 680 000	5 630 000	6 113 000
Fair value of plan assets	-	-	-	-	-
<b>Present value of obligations in excess of plan assets</b>	<b>5 103 000</b>	<b>5 640 000</b>	<b>5 680 000</b>	<b>5 630 000</b>	<b>6 113 000</b>
Experience adjustments (gain)/loss:					
In respect of present value of obligations	-	441 000	(376 000)	(86 000)	145 000
In respect of fair value of plan assets	-	-	-	-	-

#### Sensitivity Results:

The results of the valuation are dependent on the assumptions used. The tables below outline firstly how the accrued liability as at 31 March 2018 is impacted by changes in the assumptions and secondly how the income statement expenses (interest and service cost) are impacted by changes in the assumptions

In-Service and Continuation Members	Accrued Service Liabilities as at 31 March 2018 R	% Increase
<b>No change in assumption</b>	<b>6 113 000</b>	
<b>Discount Rate</b>		
- Increase by 1% p.a.	5 340 000	(13%)
- Reduced by 1% p.a.	7 089 000	16%
<b>Medical inflation</b>		
- Increase by 1% p.a.	7 080 000	16%
- Reduced by 1% p.a.	5 335 000	(13%)
<b>Retirement age</b>		
- Increased by 1 year	5 868 000	(4%)
- Reduced by 1 year	6 380 000	4%

## Notes to the Financial Statements for the year ended 31 March 2018

### 16. Post-employment health care benefit liability (continued)

In-Service and Continuation Members	Income Statement Expenses as at 31 March 2018 R	% Increase
<b>No change in assumption</b>	<b>707 000</b>	
<b>Discount Rate</b>		
- Increase by 1% p.a.	655 000	(7%)
- Reduced by 1% p.a.	773 000	9%
<b>Medical inflation</b>		
- Increase by 1% p.a.	843 000	19%
- Reduced by 1% p.a.	601 000	(15%)
<b>Retirement age</b>		
- Increased by 1 year	667 000	(6%)
- Reduced by 1 year	752 000	6%

### 17. Reserves and Accumulated Surplus/(Deficit)

#### RESERVES:

	DAC - UNSPENT FUNDS FOR SPECIAL PROJECTS R	UNSPENT SPONSORSHIP FUNDS R	ROYALTIES R	TOTAL R
<b>Balance at 1 April 2016</b>	<b>9 584</b>	<b>35 178</b>	<b>-</b>	<b>44 762</b>
Net movement during the year	-	7 810	-	7 810
Income	-	16 500	-	16 500
Expenditure	-	(8 690)	-	(8 690)
<b>Balance at 1 April 2017</b>	<b>9 584</b>	<b>42 988</b>	<b>-</b>	<b>52 572</b>
Net movement during the year	(2 231)	(11 331)	47 810	34 248
Income	-	-	47 810	47 810
Expenditure	(2 231)	(11 331)	-	(13 562)
<b>Balance at 31 March 2018</b>	<b>7 353</b>	<b>31 657</b>	<b>47 810</b>	<b>86 820</b>

#### ACCUMULATED SURPLUS/(DEFICIT):

<b>Balance at 1 April 2016</b>	<b>(1 717 086)</b>
Prior period error – adjustment	79 042 719
Restated balance 1 April 2016	77 325 633
Restated deficit for the year	(9 422 741)
Deficit for the year	(843 137)
Prior period error – adjustment	(8 579 604)
Transfer to reserves	(7 810)
<b>Balance at 1 April 2017</b>	<b>67 895 082</b>
Deficit for the year	(580 842)
Transfer from reserves	(34 248)
<b>Balance at 31 March 2018</b>	<b>67 279 991</b>



## Notes to the Financial Statements for the year ended 31 March 2018

### 18. Contingent Liabilities

#### Post-employment health care benefit liability

Eight (8) employees who were appointed before 1 April 2010 and who qualifies for post-employment health care benefits are currently not participating in the Museum's medical benefits arrangement. It is regarded as unlikely that they will opt to participate in the medical benefits arrangement in future due to affordability and other personal circumstances.

The valuation of the post-employment health care liability recognised in the statement of financial position and determined by the actuary does not include these employees.

The estimated contingent liability, in respect of these employees is as follows:

	<b>Accrued Liability 2017/18 R</b>	<b>Accrued Liability 2016/17 R</b>
5% Continuance Assumption	30 000	35 000
10% Continuance Assumption	60 000	71 000

The actuary determined the estimates for this liability based on a 5% and 10% take up rate. It was further assumed that, due to affordability, all these employees would participate on the lowest option provided by Bonitas should they take up the benefit. All other assumptions are consistent with the valuation of the post-employment health care benefit liability disclosed in notes 15 and 16.

The results above highlight that the expected liability in respect of these eight (8) employees is negligible and does not have a material impact on the overall liability of the Museum.

### 19. Other operating revenue

	<b>2017/18 R</b>	<b>2016/17 R</b>
Recovery of expenses	1 734	1 890
Entrance fees	84 337	67 518
Sales of goods (photos)	1 615	17 750
Sales of goods (publications and DVD's)	97 969	86 593
Royalties – publications	51 133	20 797
Conferences hosted	-	1 000
Archive subscriptions	3 300	-
<b>Total</b>	<b>240 088</b>	<b>195 548</b>

### 20. Rental income

Rental received from employees	2 400	2 400
Rental of Restaurant	24 211	24 211
	<b>26 611</b>	<b>26 611</b>
Future minimum rental income:		
<b>Employees</b>		
Due within one year	2 400	2 400
Due between one and five years	9 600	9 600
	<b>12 000</b>	<b>12 000</b>
<b>Restaurant</b>		
Due within one year	25 131	22 845
Due between one and five years	47 678	72 809
	<b>72 809</b>	<b>95 654</b>

## Notes to the Financial Statements for the year ended 31 March 2018

### 20. Rental income (continued)

Employees fulfilling a security function and staying on the property of the Museum, have to pay rent of R200 per month, according to the regulations of the Department of Public Works, Roads and Transport.

The restaurant was leased out on a fixed term contract from 1 December 2009, the contract later being extended upon agreement between the parties up to 30 November 2020.

### 21. Interest Income

	2017/18 R	2016/17 R
Balances at Corporation for Public Deposits	205 555	194 218
ABSA	-	287
<b>Total</b>	<b>205 555</b>	<b>194 505</b>

### 22. Gifts, sponsorships and donations received

Various other smaller sponsorships	-	16 500
Anonymous cash donations	4 882	4 619
<b>Total</b>	<b>4 882</b>	<b>21 119</b>

Various sponsorships were received during the previous financial period. No unfulfilled conditions are attached to these. Unspent amounts are included in reserves, refer to note 17.

### 23. Transfers and subsidies received

National Department of Arts and Culture	10 084 000	9 604 000
Municipal Charges paid on behalf of the Museum	880 662	1 000 560
Fair value of free use of buildings	7 284 000	6 621 819
<b>Total</b>	<b>18 248 662</b>	<b>17 226 379</b>

#### Fair value of free use of buildings:

The War Museum has been housed in buildings which are the property of the Department of Arts and Culture since the early 1950's. These buildings include a main building in which the museum and office facilities are situated, a residential house and a separate general hall which is currently used to house a restaurant and educational centre/children's museum. The use of the buildings is provided free of charge and recognised at its estimated fair value.

There are no unfulfilled conditions and other contingencies attached to the grants and assistance that have been recognised and disclosed.

### 24. Transfers for special projects NLC

Income from NLC – Lotto # 43147	-	-
Income from NLC – Lotto # 73476	300 398	144 083
<b>Total</b>	<b>300 398</b>	<b>144 083</b>

The War Museum received funding for various projects from the National Lotteries Commission (NLC), see note 13. Income is recognised to the extent that expenditure has been incurred. The remaining unspent amount is regarded as a liability due to certain conditions attached to it which stipulates that should the grant agreement be breached, funds must be returned to the transferor, refer to note 31 for the amount of expenditure incurred and note 13 for the liability.

## Notes to the Financial Statements for the year ended 31 March 2018

### 25. Transfers for special projects DAC

	2017/18 R	2016/17 R
Income from Department of Arts and Culture (DAC)	4 061 115	2 745 746
<b>Total</b>	<b>4 061 115</b>	<b>2 745 746</b>

The War Museum received funding for various projects from the Department of Arts and Culture over the 2016/17 and 2017/2018 periods, see note 12. Due to conditions attached to these grants, income is recognised to the extent that expenditure has been incurred. The remaining unspent amount is recognised as a liability. Refer to notes 8 and 31 for the amount of expenditure incurred and note 12 for the liability.

### 26. Heritage Assets donated

Objects	217 468	167 610
Historical Documents	291 332	17 600
Philately	8 150	6 800
Library	27 811	15 234
Photographic	5 589	2 392
<b>Total</b>	<b>550 350</b>	<b>209 636</b>

Heritage Assets are continuously donated to the Museum by the Public. The non-exchange revenue recognised in this regard comprises the fair value of the assets.

### 27. Administrative expenses

Travel and subsistence	261 453	217 214
<b>Total</b>	<b>261 453</b>	<b>217 214</b>

### 28. Audit fees

External audit fees	664 044	641 730
Audit fees in excess of 1% of current and capital expenditure which must be defrayed from National Treasury's vote	473 556	483 730
Audit fees paid by the Museum	190 488	158 000
Internal audit fees	79 756	86 324
<b>Total</b>	<b>743 800</b>	<b>728 054</b>

The Auditor-General on an annual basis in terms of statutory requirements (Section 11 of the Cultural Institutions Act and Section 58 of the PFMA) performs an audit of the Museum's financial affairs and issues an audit report to parliament.

Section 23(6) of the Public Audit Act, which deals with audit fees, states that:

"If the audit fee exceeds 1% of the total current and capital expenditure of such auditee for the relevant financial year, such excess must be defrayed from the National Treasury's vote, provided that the National Treasury is of the view that the auditee has financial difficulty to settle the cost. This excludes national and provincial departments."

The Museum has always in the past been among Entities listed by National Treasury with financial difficulty to settle cost of audit fees. The subsidy and income of the Museum does not allow for the budget provision of audit fees in excess of 1% of the Museum's total current and capital expenditure. Therefore audit fees in excess of 1% of the total current and capital expenditure must be defrayed from the National Treasury's vote and thus be paid by National Treasury to the Auditor-General.

## Notes to the Financial Statements for the year ended 31 March 2018

### 28. Audit fees (continued)

It is the practice of National Treasury that invoices in excess of the 1% which is to be defrayed from its vote be submitted for payment to National Treasury by the Auditor-General directly, payment of such is then made by National Treasury to the Auditor-General.

### 29. Amortisation charge

	2017/18 R	2016/17 R
Computer software	8 110	7 595
<b>Total</b>	<b>8 110</b>	<b>7 595</b>

Amortisation charge is net of changes in estimates disclosed in note 39.

### 30. Depreciation charge

Computer equipment	36 341	38 684
Electronic equipment	36 701	30 201
Vehicles	23 652	23 820
Donated assets	8 201	8 601
Other items	28 076	27 713
<b>Total</b>	<b>132 971</b>	<b>129 019</b>

Depreciation charge is net of changes in estimates disclosed in note 39.



## Notes to the Financial Statements for the year ended 31 March 2018

### 31. Other expenses

#### Operating expenses

	2017/18	2016/17
	R	R
Advertisements	7 995	4 995
Bank charges	64 144	55 978
Books and periodicals	2 015	2 304
Cafeteria and Curio purchases	32 281	24 837
Conference fees	11 387	8 482
Heritage Assets conservation/maintenance:		
<i>Conservation materials</i>	3 332	7 295
Consumables	113 691	112 582
Consignment stock – payment of supplier portion	26 546	18 354
Digital archive costs	3 348	-
Education	9 146	1 479
Entertainment/Functions	26 801	34 360
Exhibitions and Artefacts	35 363	24 061
Gifts and flowers	2 271	1 200
Insurance	142 897	144 173
License fees	32 260	29 500
Maintenance, repairs and running costs:	98 369	103 418
<i>Property, plant and equipment</i>		
- <i>Computer equipment</i>	11 683	5 084
- <i>Electronic equipment</i>	2 246	2 679
- <i>Other assets</i>	8 785	4 804
- <i>Vehicles</i>	8 874	5 611
<i>Other general</i>	6 008	6 448
<i>Buildings and grounds</i>	37 680	62 539
<i>Fuel and Oil – Vehicles running cost</i>	23 093	16 253
Publications	83 055	91 227
Security	264 805	269 484
Inventory – opening balance	645 783	557 548
Inventory – closing balance	(681 769)	(650 094)
Loss due to impairment of inventory	-	4 311
Telephone and postage	130 630	115 030
Workmen's compensation	13 617	13 088
Valuation and other costs	12 500	16 302
Membership fees	1 810	1 810
Municipal Charges paid on behalf of the Museum	880 662	1 000 560
Use of buildings – fair value of free use (estimated rental)	7 284 000	6 621 819
<b>Total</b>	<b>9 246 939</b>	<b>8 614 103</b>

#### Project expenses funded from sponsorships reserves

Conservation	6 113	-
Education	-	8 690
Exhibitions and Artefacts	1 718	-
<b>Total</b>	<b>7 831</b>	<b>8 690</b>

## Notes to the Financial Statements for the year ended 31 March 2018

### 31. Other expenses (continued)

Project expenses funded from Department Arts and Culture special project funds (also see note 8, 12 and 25):-

	2017/18	2016/17
	R	R
Security	2 231	-
Restaurant – minor repairs	1 659	-
GRAP 103 – Heritage Assets Implementation	834 275	-
<i>Advertisements</i>	4 217	-
<i>Consumables</i>	5 395	-
<i>Licences</i>	40 300	-
<i>Valuation/consultants fees</i>	782 893	-
<i>Other</i>	1 470	-
Major Maintenance	79 656	-
<i>Garden Maintenance</i>	36 776	-
<i>Other</i>	42 880	-
<b>Total</b>	<b>917 820</b>	<b>-</b>

Expenses relating to NLC-Lotto projects (also see note 13 and 24):

Exhibitions	45 450	-
Other	28 267	49 623
Conservation	-	94 460
<b>Total</b>	<b>73 717</b>	<b>144 083</b>

<b>TOTAL</b>	<b>10 246 307</b>	<b>8 766 876</b>
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### 32. Staff costs

#### Normal Staff complement:

Wages and salaries:		
Basic salaries	3 629 979	3 432 772
Leave payments	55 803	117 730
Overtime payments	121 364	120 157
Periodic payments	276 696	321 903
Service Awards	-	3 800
Social contributions (Employer's contributions):		
Medical aid fund	317 195	266 945
Pension fund	778 338	743 814
Pension fund – stabilisation account	62 257	58 099
Unemployment Insurance Fund	33 029	32 818
Social contributions (State contributions):		
Housing subsidy	-	8 481
Post-retirement medical aid benefit:		
Current service cost	171 000	154 000
Interest cost	530 000	572 000
Senior Management Salaries	3 588 034	3 438 831
Council Honorarium	28 237	15 576
<b>Total</b>	<b>9 591 932</b>	<b>9 286 926</b>

## Notes to the Financial Statements for the year ended 31 March 2018

### 32. Staff costs (continued)

Project related costs funded from Department Arts and Culture special project funds (also see note 12 and 25):

	2017/18 R	2016/17 R
<b>GRAP 103 – Heritage Assets Implementation : Temporary Staff</b>		
Wages and Salaries:		
Basic salaries	753 300	-
Leave payments	67 438	-
Social contributions (Employer's contributions):		
Medical Aid Fund	49 145	-
Pension Fund	137 801	-
Unemployment Insurance Fund	8 154	-
<b>Total</b>	<b>1 015 838</b>	<b>-</b>
<b>TOTAL</b>	<b>10 607 770</b>	<b>9 286 926</b>

### Council Member's Honorarium (as required by Treasury Regulation 28.1.3)

#### Dr J.P. van der Merwe

Travel and Subsistence	-	2 711
	<b>-</b>	<b>2 711</b>

#### Prof H.M. Thipa

Council Honorarium	2 768	3 936
Travel and Subsistence	178	118
	<b>2 946</b>	<b>4 054</b>

#### Mr K.C. Nemadzivhanani

Council Honorarium	3 684	3 492
Travel and Subsistence	11 715	10 857
	<b>15 399</b>	<b>14 349</b>

#### Dr C.M. Twala (Deputy Chairperson)

Council Honorarium	3 684	2 328
	<b>3 684</b>	<b>2 328</b>

#### Mr M.O. Mbatha

Council Honorarium	2 456	1 164
Travel and Subsistence	1 392	441
	<b>3 848</b>	<b>1 605</b>

#### Ms N.G. Maluleka/Bila

Council Honorarium	1 228	1 164
	<b>1 228</b>	<b>1 164</b>

#### Ms M. Schoch

Council Honorarium	3 684	3 492
	<b>3 684</b>	<b>3 492</b>

#### Dr G.C. Benneyworth (Chairperson)

Council Honorarium	4 593	-
Travel and Subsistence	2 769	-
	<b>7 362</b>	<b>-</b>

#### Mr T. Ndebele-Monyela

Council Honorarium	2 456	-
	<b>2 456</b>	<b>-</b>

## Notes to the Financial Statements for the year ended 31 March 2018

### 32. Staff costs (continued)

#### Council Member's Honorarium (as required by Treasury Regulation 28.1.3)

	2017/18 R	2016/17 R
<b>Ms R. Mulder</b>		
Council Honorarium	2 456	-
Travel and Subsistence	302	-
	<b>2 758</b>	<b>-</b>
<b>Prof A. Wessels</b>		
Council Honorarium	1 228	-
	<b>1 228</b>	<b>-</b>
<b>TOTAL</b>		
Council Honorarium (included in staff costs above)	<b>28 237</b>	<b>15 576</b>
Travel and Subsistence (included in note 26)	<b>16 356</b>	<b>14 127</b>

#### Senior Management Salaries (as required by Treasury Regulation 28.1.3)

	Salary	Bonuses	Pension	Medical	Other	Total
<b>Executive Director: JL Pretorius</b>						
2017/2018	943 944	78 662	230 086	71 620	121 785	<b>1 446 097</b>
2016/2017	881 820	93 522	214 944	87 404	121 784	<b>1 399 474</b>
<b>Deputy director: JH du Pisani</b>						
2017/2018	516 900	43 075	125 995	39 901	69 393	<b>795 264</b>
2016/2017	486 720	51 394	118 638	33 163	65 984	<b>755 899</b>
<b>Chief financial officer: CA Swanepoel</b>						
2017/2018	466 020	38 835	113 592	55 757	1 785	<b>675 989</b>
2016/2017	438 804	45 344	106 958	49 907	1 785	<b>642 798</b>
<b>Human Science Manager: JJR van Zyl</b>						
2017/2018	452 844	37 737	110 381	58 685	11 037	<b>670 684</b>
2016/2017	426 396	44 061	103 934	55 232	11 037	<b>640 660</b>
<b>TOTAL:</b>						
<b>2017/2018</b>	<b>2 379 708</b>	<b>198 309</b>	<b>580 054</b>	<b>225 963</b>	<b>204 000</b>	<b>3 588 034</b>
<b>TOTAL:</b>						
<b>2016/2017</b>	<b>2 233 740</b>	<b>234 321</b>	<b>544 474</b>	<b>225 706</b>	<b>200 590</b>	<b>3 438 831</b>

### 33. Reconciliation of budget surplus/(deficit) with the surplus/(deficit) in the statement of financial performance

The budget is approved on a cash basis by economical classification. The approved budget covers the fiscal period 1 April 2017 to 31 March 2018 and is exclusively for the Museum.

The budget and accounting basis differs. The financial statements are prepared on the accrual basis and by economical classification.

The Museum is mainly subsidised by the National Department of Arts and Culture. The subsidy received is in accordance with that communicated by the Department and has been utilized in terms of an appropriately approved budget.



## Notes to the Financial Statements for the year ended 31 March 2018

### 33. Reconciliation of budget surplus/(deficit) with the surplus/(deficit) in the statement of financial performance (continued)

Reasons for material variances between the approved and final budget - Operations:

- The approved budget was amended with 0.12% during the year under review therefore not a material adjustments.
- Some re-prioritisations between different line items were also implemented.

Reasons for material variances between final budget and actual amounts on a comparable basis:

- The budget and actual amounts varied between 0.14% and 0.17% for income and expenditure respectively. These variances are not material.
- Overspending on line items such as subsistence and travel was monitored closely and savings realised on other lines items compensated for this.
- The allocation received for the devolution of municipal charges remains in the Museum's bank accounts until guidance on how the devolution of the accounts will be affected is provided by the National Department of Public Works – see note 11.

	2017/18 R	2016/17 R
<b>Net surplus/(deficit) per the statement of financial performance</b>	<b>(580 842)</b>	<b>(9 422 741)</b>
Adjusted for:		
Basis differences:		
Audit fees to be defrayed from NT	473 556	483 730
Heritage Asset Donations	(550 350)	(209 636)
Exchange revenue: Royalties	(45 604)	26 156
Operating lease revenue (straight-lining)	(1 366)	(3 442)
Change in inventory	(35 986)	(88 235)
Amortisation	8 110	7 595
Depreciation	132 971	129 019
Leave	51 532	-
Audit Fees	37 153	-
Interest Cost	530 000	572 000
Service Cost	171 000	154 000
Actuarial (gain)/loss	94 000	(485 000)
Impairment of Heritage Assets	122 328	-
Loss from write-off of Property, plant and equipment	1 194	698
Income from sponsorships, DAC and Lotto for specific projects	(4 361 512)	(2 906 329)
Project expenses (sponsorships, DAC and Lotto)	2 015 206	152 733
Transfer of Property	2 000 570	11 534 986
Assets purchased as part of normal operations	(26 771)	(15 622)
(Over)/under recovery of income	(16 022)	34 303
Variances due to (savings)/overspending	(19 167)	35 745
Variances due to (saving)/overspending	(1 019 167)	35 745
Devolution of municipal charges	1 000 000	-
<b>Net surplus/(deficit) per approved budget</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements for the year ended 31 March 2018

### 34. Reconciliation of surplus/(deficit) to cash generated/(utilized) in operations

	2017/18 R	2016/17 R
<b>Surplus/(deficit)</b>	<b>(580 842)</b>	<b>(9 422 741)</b>
Adjusted for:		
Depreciation of property, plant and equipment	132 971	129 019
Amortisation of intangible assets	8 110	7 595
Income on financial assets	(205 555)	(194 505)
Increase/(decrease) in NLC liability – transfer arrangement	(300 398)	811 917
Increase/(decrease) in DAC liability – transfer arrangement	8 410 859	(1 082 188)
Impairment of Heritage Assets	122 328	-
Loss from write-off of Property, plant and equipment	1 194	698
Health care benefit liability costs	483 000	(50 000)
Provision for utilities	1 000 000	-
Transfer of Property	2 000 570	11 534 986
Heritage asset donations	(550 350)	(209 636)
<b>Operating cash flows before working capital changes</b>	<b>10 521 887</b>	<b>(1 525 145)</b>
<b>Working capital changes</b>	<b>592 471</b>	<b>392 775</b>
Decrease/(increase) in inventories	(35 986)	(88 235)
Decrease/(increase) in receivables	(52 686)	274 861
Increase/(decrease) in payables	681 143	206 149
<b>Cash generated from operations</b>	<b>11 114 358</b>	<b>1 917 920</b>

### 35. Other Contractual Commitments

#### Construction of the new exhibition wing and storage

Varymix Nineteen (Pty) Ltd (Building contractor)	25 323	-
Commitment	25 323	-

#### Construction of the Garden of remembrance

Varymix Nineteen (Pty) Ltd (Building contractor)	684	64 867
Commitment	684	64 867

#### Construction of the Guard House and Fencing

The Roodt Partnership (Architects/Consulting engineers)	-	30 890
Hemistyle (Pty) Ltd t/a Acorn (Building contractor)	6 642	525 354
Commitment	36 150	576 227
Retention fees	(29 508)	(50 873)
SA Fence and Gate (Contractor)	-	-
Commitment	9 909	-
Retention fees	(9 909)	-

#### Major Maintenance – refurbishment of stores

Hemistyle (Pty) Ltd t/a Acorn (Building contractor)	52 218	-
Commitment	62 190	-
Retention fees	(9 972)	-

<b>Total</b>	<b>84 867</b>	<b>621 111</b>
--------------	---------------	----------------

Council entered into agreements for the commitments disclosed. It is foreseen the commitments as at 31 March 2018 will be met when due. The projects are all funded from conditional grants received from the Department of Arts and Culture – see note 12. Refer to notes 8, 12, 25 and 31 for liabilities, income and expenditure in this regard

## Notes to the Financial Statements for the year ended 31 March 2018

### 36. Related parties

As required by International Public Sector Accounting Standard 20:

#### *National Department of Arts and Culture – Executive Authority*

	2017/18	2016/17
	R	R
Transfers and subsidies received	10 084 000	9 604 000
Infrastructure projects	1 000 000	1 149 000
Other special projects	11 000 000	-
Municipal charges paid on behalf of the Museum	-	1 000 560
Use of buildings – fair value of free use	7 284 000	6 621 819
Devolution of Municipal Charges	1 000 000	-
<b>Total</b>	<b>30 368 000</b>	<b>18 375 379</b>

#### **2017/2018**

The Executive Authority provided a subsidy for the War Museum's operations. Additional amounts were received for major maintenance as well as the implementation of GRAP 103 (Heritage Assets). The Executive Authority also provided an allocation as part of the devolution of Municipal Charges to the Museum.

#### **2016/2017**

The Executive Authority provided a subsidy for the War Museum's operations. Additional amounts were also received for the extension of the guard house project at the entrance of the grounds. The Executive Authority on behalf of the Entity paid Municipal Charges to the Department of Public Works (DPW).

#### **Management and Council**

The two major classes of Management are the Museum's Senior Management and the Council. Remuneration of Management and Council, as required by the PFMA, is disclosed in note 32.

#### **Other**

The War Museum has been housed in buildings which are the property of the Department of Arts and Culture since the early 1950's. These buildings include a main building in which the museum and office facilities are situated, a residential house and a separate general hall which is currently used for storage. The use of the buildings is provided free of charge and recognised at the estimated fair value. No lease agreement exists between the War Museum and the Department of Arts and Culture.

### 37. Financial instruments

#### **Credit risk**

##### Cash and cash equivalents

Financial assets, which potentially subject the Museum to concentrations of credit risks, consist primarily of cash and cash equivalents and trade receivables. Credit risk is regarded to be insignificant and is mitigated by the fact that the Museum only deposits and invests funds with registered banks.

##### Trade receivables

The Museum does not consider there to be any significant concentration of credit risk, which had not been adequately provided for. Trade receivables are presented net of impairment losses and exposure is limited to the fair value of trade receivables as disclosed in note 5.

## Notes to the Financial Statements for the year ended 31 March 2018

### 37. Financial instruments (continued)

#### Liquidity risk

Liquidity risk is managed by keeping sufficient cash available. The Museum manages liquidity risk through monitoring of cash flow requirements and optimising cash return on investments. Adequate reserves and liquid resources are also maintained.

#### Market risk

Cash and cash equivalents consist of deposits held at registered banks with high credit ratings. These deposits attract interest at rates linked directly to the prime overdraft rate.

#### Fair value

The Museum's financial instruments consist mainly of cash and cash equivalents, trade receivables and trade payables.

No financial asset was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial assets.

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

#### Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets and financial liabilities.

#### Trade receivables

The fair value of trade receivables is determined by discounting the future cash flows involved at a market related rate (prime lending rate), the difference of which is considered to be negligible and therefore was trade receivables not recalculated at amortised cost. The carrying amount approximates the fair value.

#### Trade payables

The fair value of trade payables is determined by discounting the future cash flows involved at a market related rate (prime lending rate), the difference of which is considered to be negligible and therefore was trade payables not recalculated at amortised cost. The carrying amount approximates the fair value.

#### Sensitivity analysis

Market risk (Interest rate risk) is presented by way of a sensitivity analysis. This illustrates the effect of changes in the market on the interest income. The sensitivity analyses are based on the assumption that changes in the market will affect the interest income.

One percentage movement in the effective interest rate would have the following effect on the net income for the year:

	+1%	-1%
	R	R
Cash and Cash equivalents	139 888	(139 888)



## Notes to the Financial Statements for the year ended 31 March 2018

### 38. Prior period errors

#### Cash and Cash Equivalents

The Museum previously disclosed balances held at the SA Reserve Bank – Corporation for Public Deposits as non-current Investments. The balances are however highly liquid. In accordance with National Treasury Instruction no. 6 of 2017/2018 the Museum must annually declare all surpluses and deficits to the National Treasury in accordance with a prescribed formula. The formula compares cash and cash equivalents and receivables with current liabilities and commitments. This caused a mismatch with regard to DAC special projects as the balance of funds were previously disclosed as non-current Investments and the liabilities as current. This classification of the balances as Investments was amended to Cash and Cash Equivalents retrospectively.

#### Contingent Liabilities

The Museum did not previously disclose information regarding contingent liabilities arising from employees which are eligible for medical aid benefits in retirement but who are currently not participating in the Museum's medical aid benefit scheme. An estimate of this contingent liability (2016/17: R35 000 to R71 000) has subsequently been determined and disclosed – see note 18. This does not require amendment of the amounts previously recognised in the Annual Financial Statements.

#### Short term portion of post-employment health care benefit liability

Post-employment health care benefit liability amounts recognised in the Annual Financial Statements were not split to indicate current and non-current amounts. The split between current and non-current amounts have been implemented retrospectively. The total liability however remains unchanged.

#### Heritage Assets

The Museum, due to financial constraints, was unable to value its Heritage Assets in prior periods. Funding was received in 2017/2018 and the Museum commenced with the implementation of the standard of GRAP on Heritage assets. The inability to value the assets resulted in an understatement of non-current assets, net assets/liabilities and non-exchange revenue. The Heritage Assets have subsequently been valued/appraised and the Annual Financial Statements adjusted retrospectively as far as practicable.

#### Infrastructure Expenditure not capitalised as Work in process (WIP) – Buildings

The Museum in 2013/2014 implemented its first infrastructure project on behalf of the DAC. After due consultation with the Audit Team at the time on the accounting treatment of infrastructure expenditure, the Museum implemented the agreed upon recommendation to expense said amounts related to these projects. This was consistently implemented in the periods that followed. Further technical consultation by the AGSA in 2018 however proved that these expenses should rather have been capitalised as WIP assets until such time as it is completed and only then be expensed when the completed assets are transferred to the DAC. The Museum's assets (WIP) at 1 April 2016 were subsequently found to be understated by R14 945 497.00 and WIP assets amounting to R2 745 746.00 were not recognised during the 2016/2017 period. Expenditure for transfers of assets for the same period was further understated with R8 789 240.00. The Museum retrospectively adjusted the Annual Financial Statements.

## Notes to the Financial Statements for the year ended 31 March 2018

### 38. Prior period errors (continued)

#### Fair value of free use of buildings

GRAP 23 requires that the fair value of services in-kind be recognised. The War Museum has been housed in buildings which are the property of the Department of Arts and Culture since the early 1950's. These buildings include a main building in which the museum and office facilities are situated, a residential house and a separate general hall which is currently used for storage. The use of the buildings is provided free of charge. No lease agreement exists between the War Museum and the Department of Arts and Culture. Historically only disclosure was provided in this regard in the Annual Financial Statements. This resulted in an understatement of non-exchange revenue and other expenditure related to the estimated fair value of the free use of the building amounting to R6 621 819. The Museum retrospectively adjusted the Annual Financial Statements.

The effects of the adjustments listed above are as follows:

	<b>2016/17</b>
	<b>R</b>
<i>Statement of financial position</i>	
Current Assets – Cash and cash equivalents	4 301 138
Non-current Assets – Investments	(4 301 138)
Non-current Assets – Property, Plant and Equipment	6 156 257
Non-current Assets – Heritage Assets	64 306 858
Current Liabilities – Post-retirement health care benefit liability	292 000
Non-current Liabilities – Post-retirement health care benefit liability	(292 000)
<b>Accumulated surplus/(deficit) and Total net assets/(liabilities)</b>	<b>70 463 115</b>
<i>Statement of financial performance</i>	
Non-exchange revenue – Heritage Assets Donations	209 636
Non-exchange revenue – Transfers and subsidies received	6 621 819
Other expenses	(3 876 073)
Transfer of Property	(11 534 986)
<b>Surplus/(Deficit) for the year</b>	<b>(8 579 604)</b>
<i>Statement of changes in net assets</i>	
Balance at 31 March 2016 / 1 April 2016	79 042 719
Deficit for the year	(8 579 604)
<b>Balance at 31 March 2017</b>	<b>70 463 115</b>
<i>Cash Flow Statement</i>	
Cash flows from operating activities – Cash paid to suppliers and employees	(2 745 746)
Cash flows from investing activities – Purchase of PPE	2 745 746
Cash flows from investing activities – (Increase)/decrease in investments	(1 250 757)
Net increase/(decrease) in cash and cash equivalents	1 250 757
Cash and cash equivalents at the beginning of the year	5 551 895
Cash and cash equivalents at the end of the year	4 301 138
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1 250 757)</b>

## Notes to the Financial Statements for the year ended 31 March 2018

### 39. Changes in estimates

During the year changes were made to the estimations employed in the accounting for depreciation, amortisation and assets due to changes in the estimated useful life embodied in various of the depreciable/amortised assets as well as the estimated residual values of vehicles which affects the depreciation and amortisation expenses for the current period and for each future period during the asset's remaining useful life.

The change in depreciation/amortisation resulting from reassessment of useful lives and residual values:

Categories effected:	Value derived using the original estimate	Value derived using amended estimate	Value impact of change in estimate
	R	R	R
Computer equipment	23 357	8 646	14 711
Electronic equipment	7 449	2 480	4 969
Vehicles	20 469	22 393	(1 924)
Donated assets	798	399	399
Other assets	255	94	161
Intangible assets	379	95	284
<b>Total</b>	<b>52 707</b>	<b>34 107</b>	<b>18 600</b>

### 40. Standards approved but not yet effective

The following standards of GRAP and/or amendments thereto have been issued by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The War Museum has not early-adopted any of these new Standards or amendments thereto.

Reference	Topic
GRAP 20	Related Party Disclosures (effective date not yet determined)
GRAP 32	Service Concession Arrangements: Grantor (effective date not yet determined)
GRAP 34	Separate Financial Statements (effective date not yet determined)
GRAP 35	Consolidated Financial Statements (effective date not yet determined)
GRAP 36	Investments in Associates and Joint Ventures (effective date not yet determined)
GRAP 37	Joint Arrangements (effective date not yet determined)
GRAP 38	Disclosure of interest in Other Entities (effective date not yet determined)
GRAP 108	Statutory Receivables (effective date not yet determined)
GRAP 109	Accounting by Principle Agents (effective date not yet determined)
GRAP 110	Living and Non-living Resources (effective date not yet determined)
IGRAP 17	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset (effective date not yet determined)

The Museum is in the process of assessing the impact of these standards but does not foresee that the adoption of these standards in the effective periods will have a significant impact on the financial statements of the Museum.



Nº. 67514 A

GOUVERNEMENTS NOOT

EEN POND.



De Regeerting der Zuid-Afrikaansche Republiek  
belooft aan houder dezes te betalen EEN POND staats-  
volgens de bepalingen van Wet No. 1, 1940, van  
Art. 2 en 3 op de achterzijde van deze nood-  
afgedrukt.

Dit Noot is goedgekeurd door alle Vaste Leden van de Algemene Vergadering van de Werkgroep op 14 april 1994.

*[Signature]*      *[Signature]*

WA Audi-Geograph. *Tin. Caldera* 2. F.B. 7. 1902. (Walden, 1902)

## RATION TICKET.

# Human Resources Report

is entitled to following scale Rations weekly:

TEA.	COFFEE.	SUGAR.	MILK.	MEATS.
<p>1. 1880. 1881. 1882. 1883. 1884. 1885. 1886. 1887. 1888. 1889. 1890. 1891. 1892. 1893. 1894. 1895. 1896. 1897. 1898. 1899. 1900.</p>	<p>1. 1880. 1881. 1882. 1883. 1884. 1885. 1886. 1887. 1888. 1889. 1890. 1891. 1892. 1893. 1894. 1895. 1896. 1897. 1898. 1899. 1900.</p>	<p>1. 1880. 1881. 1882. 1883. 1884. 1885. 1886. 1887. 1888. 1889. 1890. 1891. 1892. 1893. 1894. 1895. 1896. 1897. 1898. 1899. 1900.</p>	<p>1. 1880. 1881. 1882. 1883. 1884. 1885. 1886. 1887. 1888. 1889. 1890. 1891. 1892. 1893. 1894. 1895. 1896. 1897. 1898. 1899. 1900.</p>	<p>1. 1880. 1881. 1882. 1883. 1884. 1885. 1886. 1887. 1888. 1889. 1890. 1891. 1892. 1893. 1894. 1895. 1896. 1897. 1898. 1899. 1900.</p>

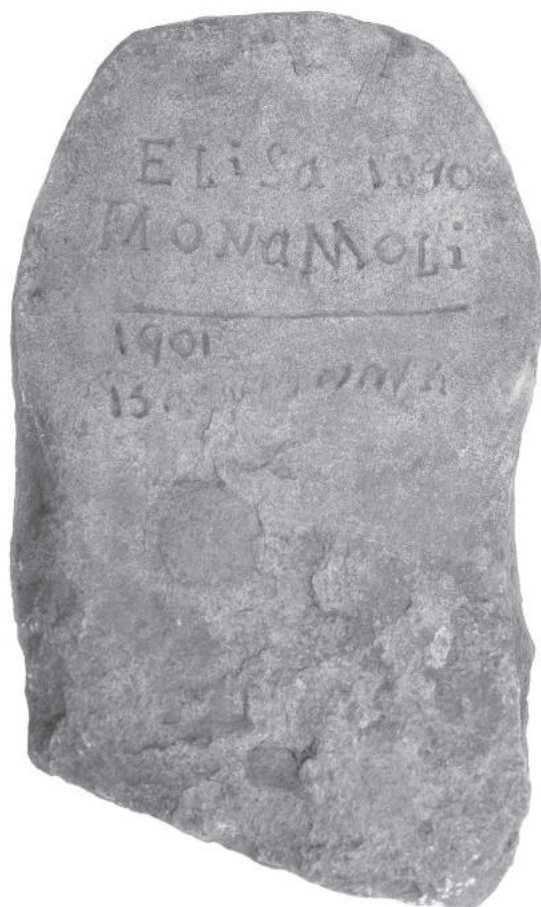


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A hat belonging to WM Meyer, a Cape rebel from Pearson, taken as a prisoner of war at Vryburg in 1900. Note the drawings of the republican flags, and the inscriptions showing the dates on which he was tried and the jails in which he was detained.



Elisa Monamoli's gravestone in what was once Nooitgedacht, the black concentration camp at Brandfort. Many black people were removed with their employers from farms as part of the scorched-earth policy, but scores were also taken from their own homes and mission stations. Record-keeping in the black camps was poor, but an estimated 24 000 black people are thought to have died there.

## INTRODUCTION

The War Museum currently employs a total staff of 32 of which 7 are temporary staff engaged in the GRAP 103 accounting standards compliance drive.

All public entities, the War Museum included, are faced with an ever increasing burden of compliance issues. The cost of governance to adhere to legislation, policy documents and audit requirements ranging from the PFMA, Cultural institutions Act, Framework for Developing Annual Performance and Strategic Plans, DAC policies and the National Development Plan to GRAP 103 places a huge burden on the War Museum in terms of its current finances and staff composition.

The War Museum must also fulfil its mandated existence. This, amongst other, includes public outreach programs, nation building projects, the conservation of national historic artefacts, educational programs, upkeep of its physical assets and publications.

Of the 25 permanent posts currently filled at the museum 40%, or 10 posts, are low skilled. Employees in the remaining 15 posts have thus to ensure that all the compliance matters are adhered to and that all the mandated strategic programmes of the War Museum are reached. From the current financial situation and staff composition it is clear that the employees of the museum are overburdened and may in future not be able to support all of these activities. To comply with the new GRAP 103 audit requirements an additional 7 workers had to be employed for a contracted period of two years.

In order for the War Museum to successfully reach its strategic goals and to adhere to all legislation the War Museum needs funding to appoint employees in the following areas:

- Risk officer – SCM, OHS, Compliance, IT, etc.
- Facilities manager – UAMP, Maintenance, Contractors, etc.
- Security guards – New access control building erected
- Educational officers – Outreach to communities in rural areas
- PR officer – Website, Marketing, Social media, Branding, Events, etc.

Training and skills development remains an important tool to empower our staff. Several employees received training by attending workshops and conferences on various matters that include conservation of museum artefacts, financial reporting, risk management and firefighting techniques. Currently 2 employees are enrolled for doctorate degrees and one employee for a master degree. A further feature at the War Museum is inter departmental skills transfer between staff, thereby achieving maximum staff utilization and alleviating problems associated with a small staff having to fulfil the museum's multiple needs. Employees at the Museum are well qualified with 48% of the 25 employees in possession of a degree or diploma. No less than 58% of these are post graduate qualifications.

Due to the financial situation at the museum the War Museum is currently not in a position to financially reward employees for exceptional performance. Staff on all levels received an annual cost of living adjustment of 6.2% as from 1 April 2017, as in previous years less than those received by public servants.

One of the focuses of the yearly audit was to review the current HR policies at the War Museum to ascertain relevance and compliance. No deficiencies were reported.

Staff relations with management and each other are good and stable and no unionized action has been experienced for decades.

## HUMAN RESOURCE OVERSIGHT STATISTICS

### Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	1 446	16.5%	1	1 446
Senior Management	2 142	24.4%	3	714
Professional Qualified	2 384	27.2%	6	397.3
Skilled	1 199	13.7%	4	299.8
Semi-skilled	3 01	3.4%	2	150.5
Unskilled	1 304	14.8%	9	144.9
<b>TOTAL</b>	<b>8 776</b>	<b>100%</b>	<b>25</b>	<b>351</b>

### Performance Rewards

Due to financial constraints it is not policy for the War Museum to give performance awards to employees.

### Training Costs\*

Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of Employees trained	Avg. training cost per employee (R'000)
8 776	11.4*	0.001%	8	1.425

\* Expenditure does not include travel and lodging costs

### Employment and vacancies

Programme	2016/2017 No. of Employees	2017/2018 Approved Posts	2017/2018 No. of Employees	2017/2018 Vacancies	% of vacancies
Top Management	1	1	1	-	-
Senior Management	3	3	3	-	-
Professional Qualified	6	6	6	-	-
Skilled	4	4	4	-	-
Semi-skilled	3	2	2	-	-
Unskilled	8	9	9	-	-
<b>TOTAL</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>-</b>
GRAP 103 Temporary	-	7	7	-	-

### Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Regraded	Employment at end of the period
Top Management	1	-	-	-	1
Senior Management	3	-	-	-	3
Professional qualified	6	-	-	-	6
Skilled	4	-	-	-	4
Semi-skilled	2	1	1	-	2
Unskilled	9	1	1	-	9
<b>TOTAL</b>	<b>25</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>25</b>
GRAP 103 Temporary	-	7	-	-	7

### Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	-	-
Resignation	-	-
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	2	6%
Other	-	-
<b>TOTAL</b>	<b>2</b>	<b>6%</b>



Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	-
Written Warning	3
Final Written Warning	-
Dismissal	-

Equity Target and Employment Equity Status

Levels								
MALE								
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	1	1
Senior Management	-	-	-	-	-	-	2	2
Professional qualified	-	-	-	-	-	-	2	1
Skilled	-	-	1	1	-	-	-	1
Semi-skilled	2	2	-	-	-	-	1	1
Unskilled	7	7	-	-	-	-	-	-
<b>TOTAL</b>	<b>9</b>	<b>9</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>6</b>

Levels								
FEMALE								
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	1	1
Professional qualified	1	1	-	-	-	-	3	3
Skilled	-	-	-	-	-	-	6	6
Semi-skilled	2	2	-	-	-	-	1	1
Unskilled	1	1	1	1	-	-	-	-
<b>TOTAL</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>

The War Museum currently has 2 semi-disabled employees. One a senior management white male employee that lost 33% of limb functions after a vehicle accident and one semi-skilled white female employee.





## **War Museum of the Boer Republics**

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